

Annual Report 2018

Corporate Synergy

Deep Dive

Complex Math
Simple Solution

Core Competency



Amplify

Bleeding Edge

Drill Down



Standard Bank Limited

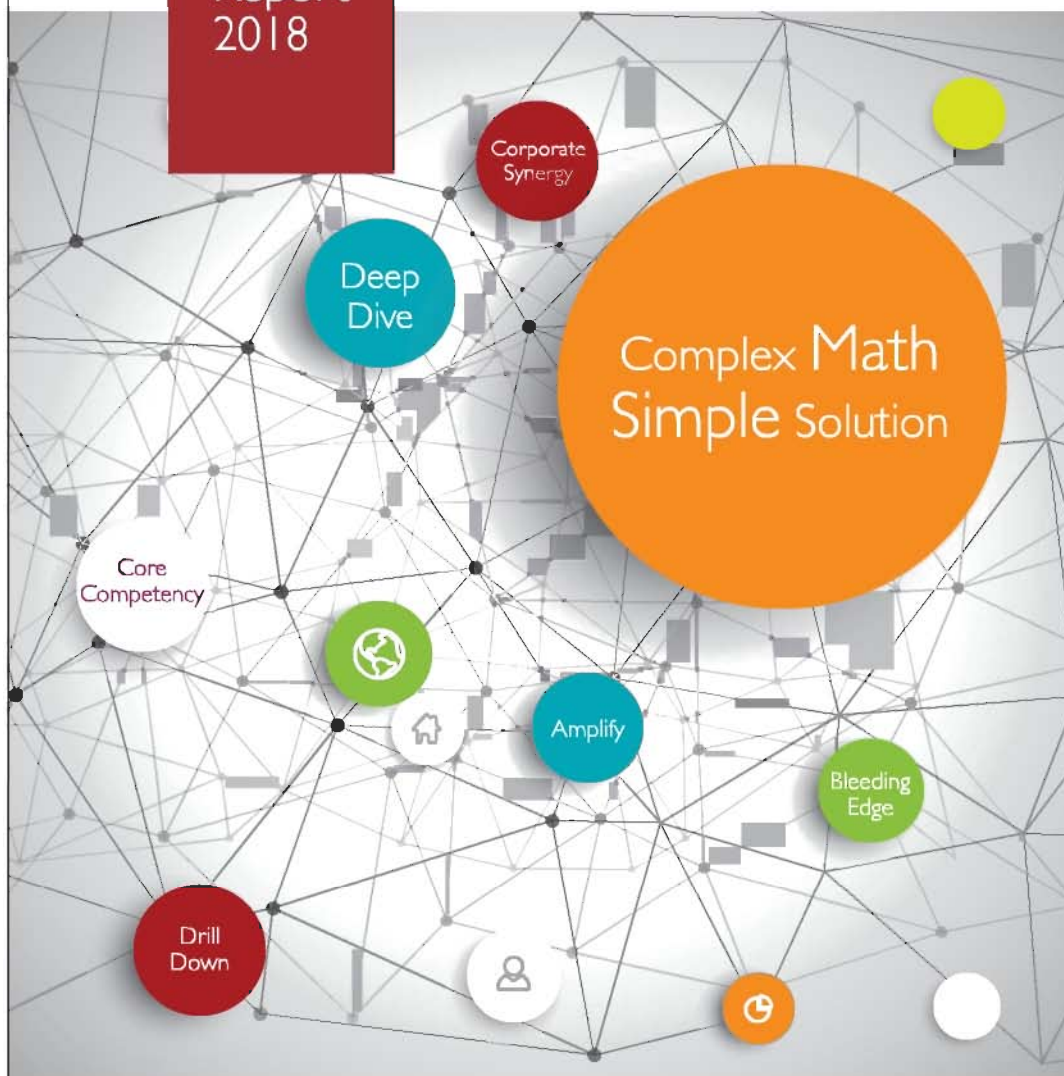
setting a new standard in banking

Annual Report 2018

Complex Math Simple Solution

In today's Banking, the practice of innovation isn't just about creating new products or services. It's about discovering completely new markets that meet previously unknown and therefore untapped customer needs. And in the age of techno-savvy commerce, the act of innovation becomes an even greater challenge, awash in a sea of new ideas. Therefore the drive toward selecting and executing the right ideas and bringing them to customers is the primordial task to ease their banking needs.

Annual
Report
2018



 **Standard Bank Limited**

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LETTER OF TRANSMITTAL

All Shareholders, Bangladesh Bank
Bangladesh Securities and Exchange Commission
Financial Reporting Council
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, 2018

Dear Sir(s),

Thank you for being with us in the year 2018.

It is our immense pleasure to present before you a copy of the Bank's Annual Report 2018 along with the audited financial statements including consolidated and separate balance sheet as at 31st December 2018, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31st December 2018 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,



Md. Ali Reza
Acting Company Secretary

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Standard Bank Limited that the 20th Annual General Meeting (AGM) of the company will be held on June 20, 2019 (Thursday) at 10:00 am at the Police Convention Hall (1st Floor), Eskaton Garden Road, Ramna, Dhaka to transact the following business:

AGENDA

- i. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2018 along with the Auditors' Report and the Director's Report thereon.
- ii. To declare dividend for the year ended 31st December, 2018 as recommended by the Board of Directors.
- iii. To retire/elect/re-elect of Directors in accordance with the provision of the law and the Articles of Association of the company.
- iv. To appoint Auditor of the Company for the term until conclusion of the next AGM and fix their remuneration.
- v. To appoint of Auditors for certification on the Compliance on condition of Corporate Governance code for the year 2019 of the company and fix their remuneration.
- vi. To consider and approve the loan proposals of the Directors as recommended by the Board.
- vii. 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 26, 2019
Dhaka

By order of the Board of Directors



Md. Ali Reza
Acting Company Secretary

NOTES:

- i. The Board of Directors has recommended @ 10% Stock dividend for the year ended 31st December, 2018 subject to approval in the 20th AGM.
- ii. The Record date of AGM will 30th May, 2019. The shareholders whose names appeared in the Shareholders Register of the Bank or in the Depository participant A/C of CDBL on record date shall be eligible to attend at the AGM and entitle for dividend as mentioned above.
- iii. Any Shareholders entitles to attend and vote at the 20th AGM may appoint a proxy to attend and vote on his/her behalf. The Proxy form duly completed and stamped by the shareholder and must be submitted at the Registered Office of the company at least 72 hours before the time fixed for meeting.
- iv. The Shareholders are requested to update their BO accounts with mailing address, contact number, Bank details, E-TIN number and e-mail address with their respective DP (Depository Participant) before 'Record Date'.
- v. As per Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018 soft copies of the Annual Report along with the Attendance Slip, Proxy Form and the Notice will be forwarded to all the members at their respective email address available with us as per CDBL record. The Members may also collect the Proxy Form from the Registered Office of the company. These will also be available in the website of the Company: www.standardbankbd.com. The printed annual report may be available if any shareholder requires in writing beforehand.
- vi. Members/proxies are requested to register their entry at the AGM in the counter at the entrance of the AGM venue from 9.00 am on June 20, 2019

N.B.: No gift/Gift Coupon/Food Box etc. will be distributed / offered to the shareholders at 20th AGM to be held at Police Convention Hall as per instruction of Bangladesh Securities and Exchange Commission's (shareholders) Circular No. SECCMRRCD/2009-193/154 Dated 24 October, 2013.

VISION

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



MISSION

To be the best private commercial bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability.

| ABOUT STANDARD BANK LIMITED |

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.

CODE OF CONDUCT



Values of SBL are defined in line with what we stand for everywhere we do business. They are reflected in our behavior and the way we build relationships and deliver value to all our stakeholders, clients, employees, shareholders, communities and others we deal with. In striving for outstanding performance and results, we do not compromise our ethics or principles. SBL places great importance on honesty, integrity, quality and trust. In doing this, we follow a well-set of code of conduct. SBL's Code of Conduct incorporates SBL's Values, and in particular our Value of Integrity, to guide our day-to-day actions and decisions so we can always do the right thing. The Code provides a practical set of guiding principles to help us make decisions in day to day work, whatever we do and wherever we do it. It, basically, aligns the behavior or conduct of employees to the standard as desired by the management in achieving common goal of the bank.

All employees of SBL are required to display the highest standard of conduct in all dealings within and outside the bank. The success of the Bank is dependent on maintaining a high level of public trust. The following Code of Conduct Guiding Principles of SBL is in place:

PERSONAL RESPONSIBILITIES:

- Maintain high level of integrity and ethics
- Be punctual, well dressed and placid mannered
- Stick to company policies, instructions and guidelines of the bank
- Do not submerge bank's interest with personal interest Workplace Responsibilities:
- Ensure appropriate use and safeguarding bank's property
- Behave with decorum and decency with other colleagues
- Do not harass and be not be ill-mannered to female colleagues
- Do not engage in any kind of business, gambling, racing, betting or wagering contracts
- No insider trading, workplace violence is allowed
- Follow proper procedures in raising grievance and disciplinary action Marketplace

RESPONSIBILITIES:

- Report all sorts of fraud, anti-money laundering and terrorist financing, theft or illegal activities to concerned authority
- Be ever responsive to all requirements of customers
- Maintain customers' confidentiality
- Maintain utmost secrecy and confidentiality in dealing with bank's affairs
- Report all records, accounts or books accurately abiding by law

CORPORATE CITIZENSHIP:

- Respond to all public or corporate enquiries timely
- Extend all-out assistance for business communities
- Emphasize on green banking to save environment

STRATEGIC PRIORITIES

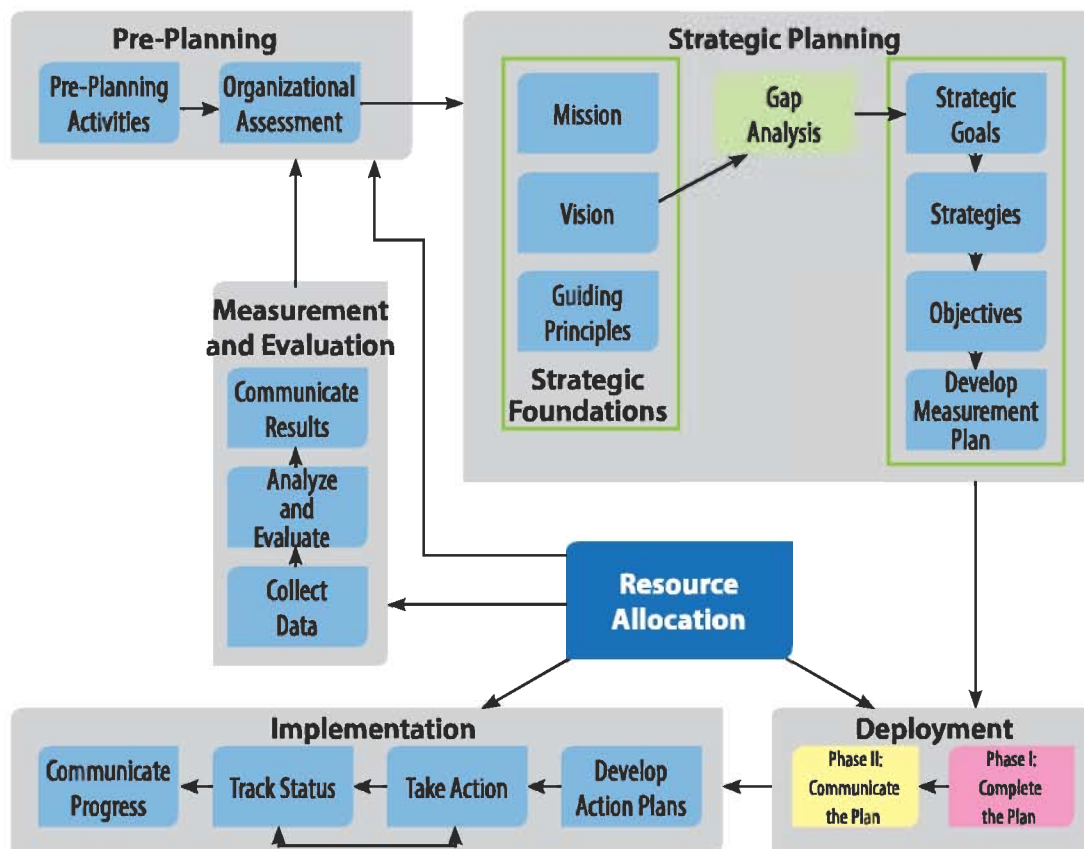
- a) To strive for sustainable business growth by ensuring customer satisfaction through quality and timely services.
- b) To ensure capital stewardship by Preservation and enlargement of multiple forms of capital; like intellectual, natural, financial, organizational, social; all of which contribute to longterm value creation.
- c) 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.
- k) To accelerate progress towards financial inclusion with technology by up-gradation of internet, Mobile Banking and Agent banking.
- l) To add value for all stakeholders



STRATEGIC MANAGEMENT MODEL

Strategic management is a systems approach to identifying and making the necessary changes and measuring the organization's performance as it moves toward its vision. It has been defined as a Management system that links strategic planning and decision making with the day-to-day business of operational management”

The following model depicts the five processes of strategic management which are pre-planning, strategic planning, deployment, implementation, and measurement and evaluation.



STATEMENT REGARDING FORWARD LOOKING



The material in the Annual Report includes certain forward looking statement concerning current goals of the Bank and its future plans, strategies and policies. We wish to caution you that these statements are based on managements 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; | h) Rise in price of essential products in the local and international market; |
| b) Changes in monetary & fiscal policies and action of government or regulatory authorities; | i) Effect on remittance flow due to political and economic unrest in different countries around the world; |
| c) Increase in rate of Tax and VAT on corporate and Bank's services; | j) Volatility in Capital Market and Money Market; |
| d) Increase in regulatory capital requirement, CRR and SLR of the Banks; | k) Increase in inflationary pressure; |
| e) Increase in competition within the financial industry; | l) Constraints in access to external funding to meet liquidity requirement; |
| f) Changes in technology and evolving banking industry standards; | m) Changing demographic developments including changing consumer spending, saving and borrowing habits; |
| g) Unfavourable movement of foreign exchange rates and interest rates; | n) Changes in accounting standards or practices; |
| | o) Underutilization 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.

CORPORATE PROFILE

Name of the Company

Standard Bank Limited

Chairman of the Bank

Ln. Kazi Akram Uddin Ahmed

Managing Director & CEO

Mr. Mamun-Ur-Rashid

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

Barrister-at-Law

Dr. Kamal Hossain & Associates

Tax Consultant

Alhaj Md. Serajul Islam

Auditor

M/s. Khan Wahab Shafique Rahman & Co.,

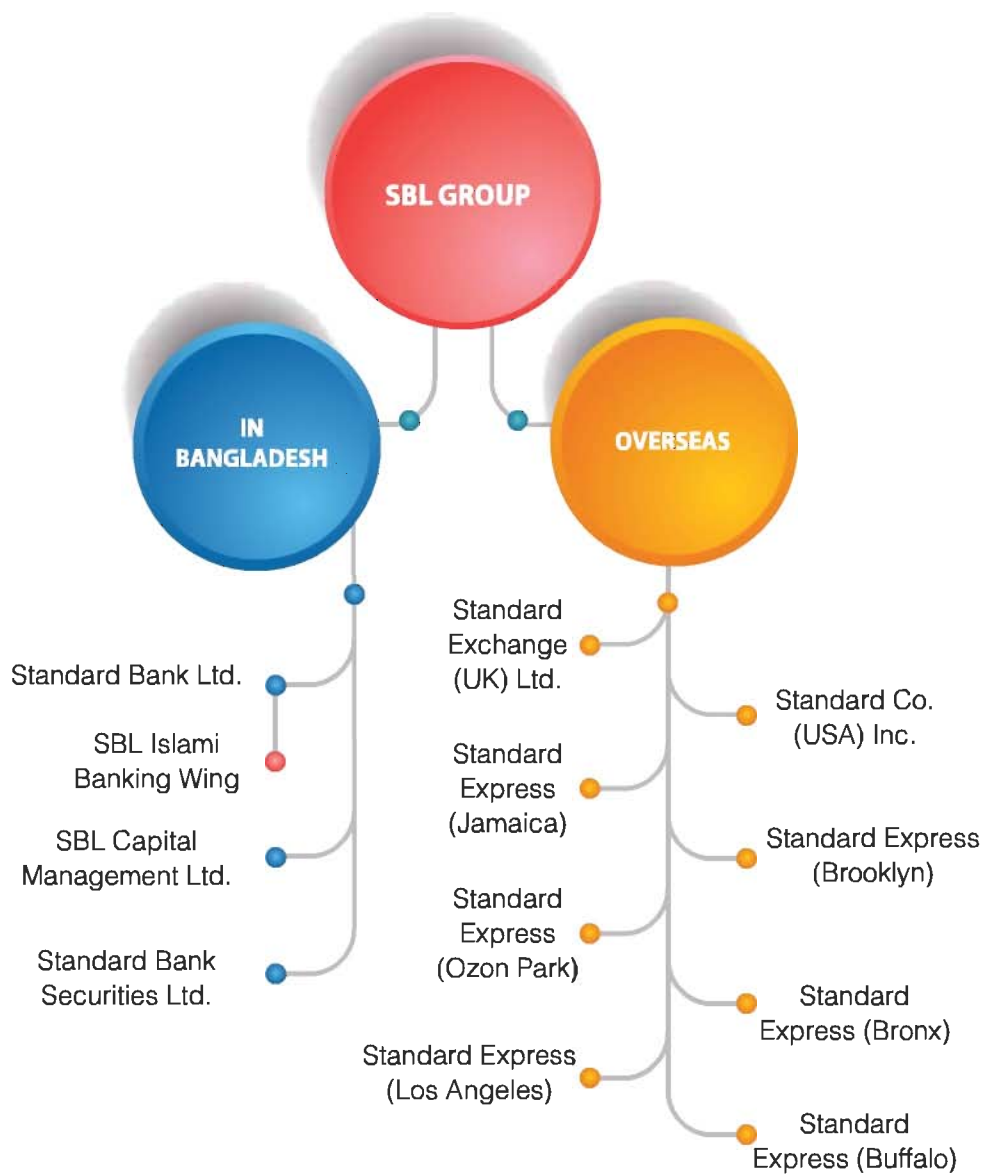
Legal Advisor

Mr. Ashraful Hadi

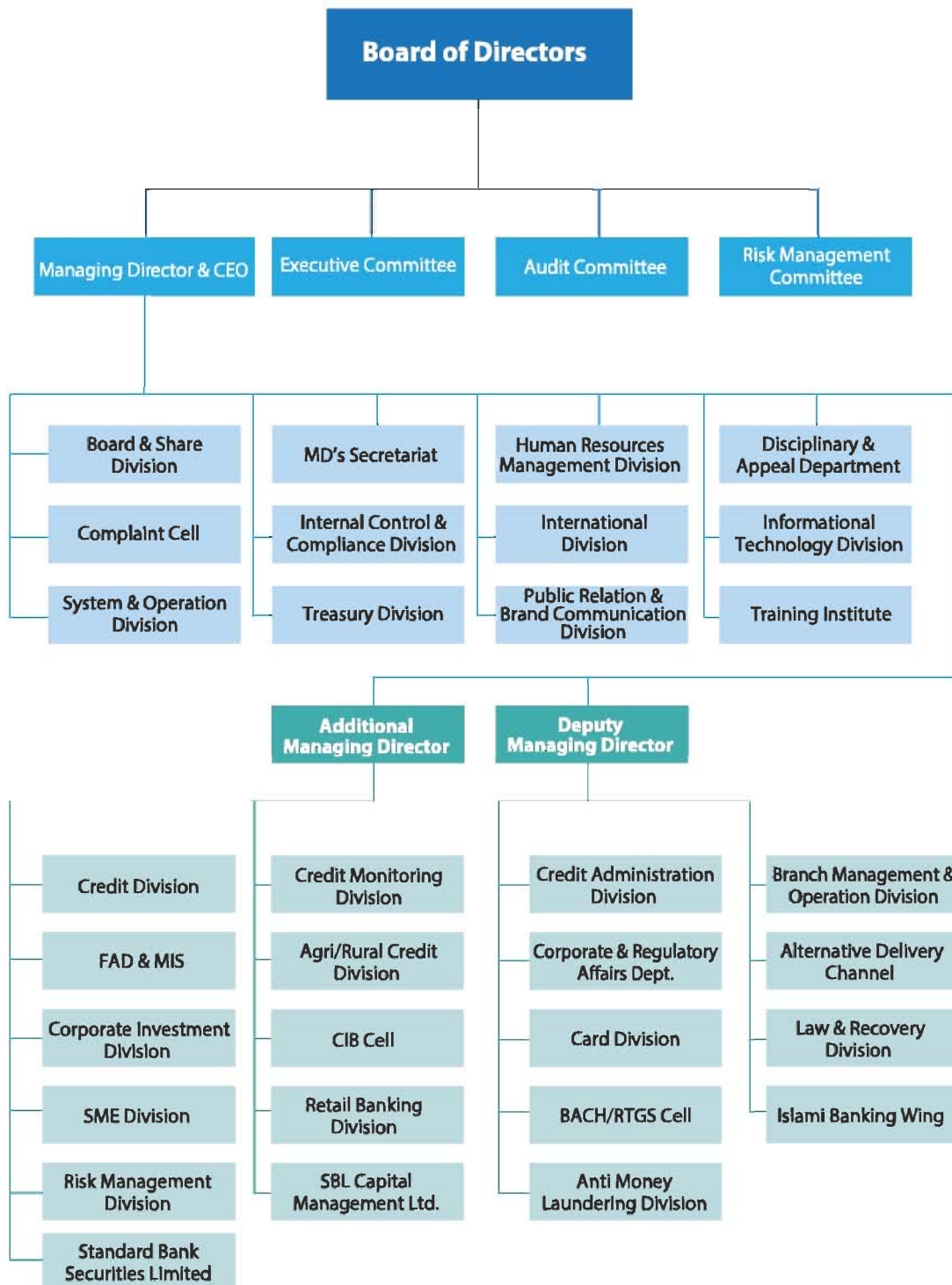
Rating Agency

Credit Rating Information and Services Limited (CRISL)

GROUP CORPORATE STRUCTURE



CORPORATE ORGANOGRAM



PRODUCT PORTFOLIO

ASSET PRODUCTS

General Corporate Finance

Short Term Finance

CC (Hypo)
 Time Loan
 SOD (Gen)
 SOD (FO)

Long Term Finance

Term Loan
 Lease Finance (Machineries, Vehicles)
 Hire Purchase

Work Order Finance

Bid Bond
 BG/PG
 APG
 SOD(EM)
 SOD(WO)

Housing/Real Estate Finance

House Building Loan(Commercial)
 House Building Loan(Residential)

Foreign Trade Finance

Export Finance

BTB L/C
 EDF Loan
 Packaging Credit
 SOD (Export)
 LDBP & FDBP

Import Finance

Import L/C (Sight/Deferred/UPAS)
 LTR

Syndication, Consortium, Club & Structured Finance

CC(H)
 L/C[Local-sight/deferred]
 L/C [Foreign-sight/deferred]
 L/C (UPAS)
 LTR
 Term Loan
 Lease Finance
 Hire Purchase

Industrial Project Finance

Project Implementation Finance

L/C (Sight/deferred)
 LTR
 Term Loan
 Lease Finance

Working Capital Finance

CC (H)
 L/C (Local/Foreign)
 LTR

Islami Banking Investment Products

Bai- Murabaha
 Bai- Muajjal
 Bai- Salam
 Hire Purchase under ShirkatulMelk
 Quard against MTDR

Small & Medium Enterprise (SME) Financing

FI 10 Taka Account Loan

Agriculture Credit

Green Banking Products

Social and Environmental Infrastructure Finance

LIABILITY PRODUCTS

CONVENTIONAL BANKING

- Savings Deposit
- Current Deposit
- Short Notice Deposit (SND)
- Fixed Term Deposit
- **SBL Savings Deposit Products:**
 - i. SBL Bondhon Savings
 - ii. SBL Savings Premium
 - iii. SBL Savings Premium Plus
 - iv. SBL Super Savers Savings
 - v. SBL Women Savings
 - vi. SBL Classic Savings
 - vii. SBL Golden Age Savings
- **SBL Scheme Deposit Products:**
 - i. SBL DPS (Sarbojonin)
 - ii. SBL DPS (Projonmo)
 - iii. SBL DPS (Ghoroni)
 - iv. SBL Lakhopati Plus
 - v. SBL Millionaire Plus
 - vi. SBL Kotipoti Plus
 - vii. SBL DPS (Bondhon)
 - viii. SBL Monthly Income PROTTASHA
 - ix. SBL Monthly Income SHRODDHA
 - x. SBL DIGUN SHOMRIDDHI
- School Banking
- SBL -Garments Workers –SHOFOL
- SBL-Leather & Footwear SHEBA
- SBL-10 Taka Account
- NFCD Accounts
- RFCD Accounts
- Private Foreign Currency Account
- Convertible Taka Account
- Non-Convertible Taka Account
- Non Resident Block Account
- Exporter FC Deposit
- SBL Off Shore Banking

ISLAMIC BANKING

- Al-Wadiah Current Account
- Mudaraba Savings Account (MSA)
- Mudaraba Special Notice Deposit Account (MSND)
- Mudaraba Term Deposit Receipt Account (MTDR)
- Mudaraba Monthly Savings Scheme (MMSS)
- Mudaraba Regular Income Program (MRIP)
- Mudaraba Hajj Savings Scheme (MHSS)
- NFCD Accounts
- RFCD Accounts

TECHNOLOGY PRODUCTS

- Internet Banking
- SMS Banking
- DigiBanking
- Spotcash
- ATM Banking
- POS Banking
- "SBL Express" Booth
- NPS Connectivity

CARD PRODUCTS

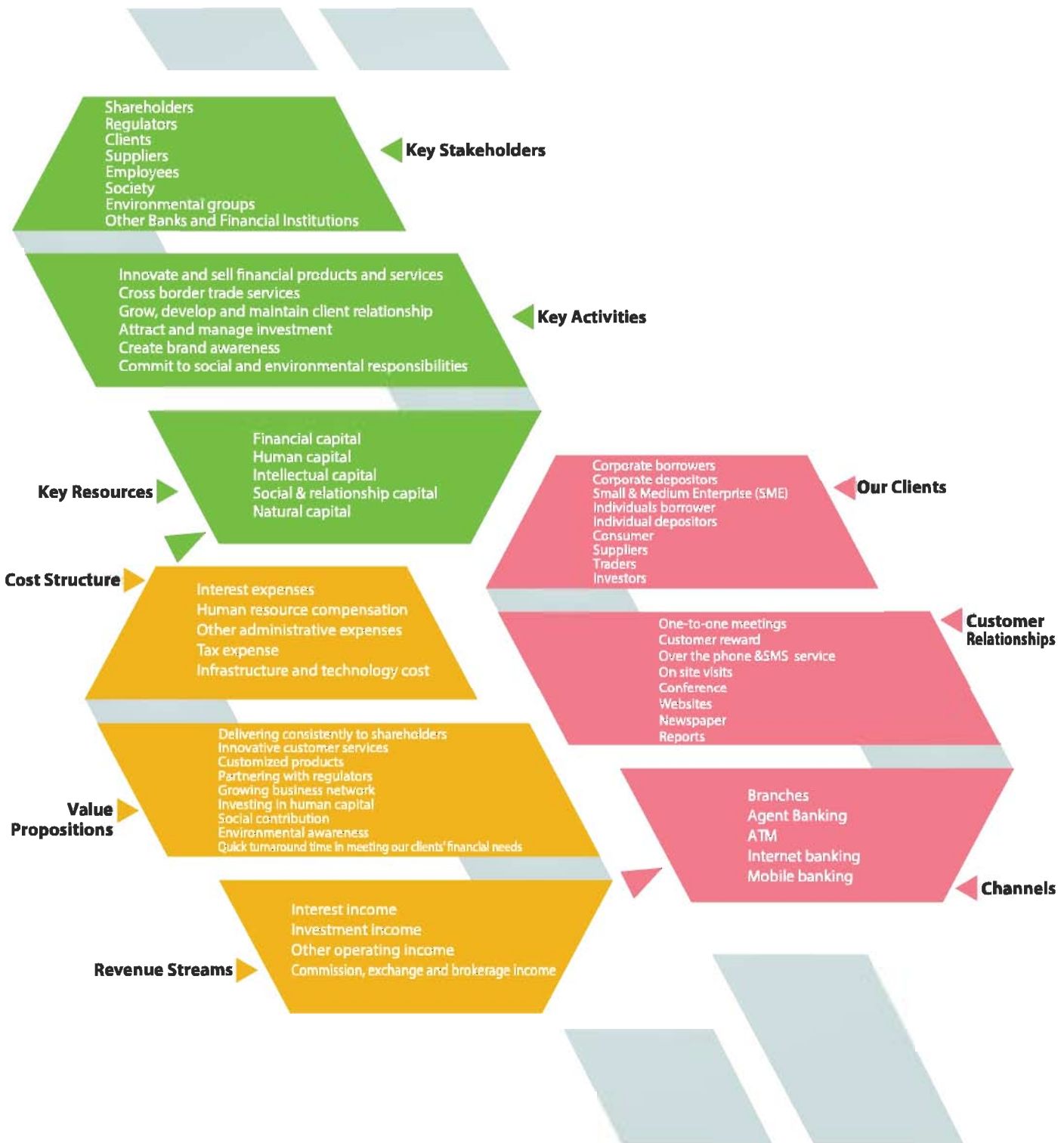
- Visa Credit Card
 - i. Visa Platinum
 - ii. Visa Gold
 - iii. Zero Pay (EMI)
 - iv. Credit Shield Premium
 - v. Balance Transfer
 - vi. 2FA
- Visa Prepaid Card
 - i. Visa Travel Card
 - ii. Visa Hajj Card
- Debit Card

OTHER PRODUCTS

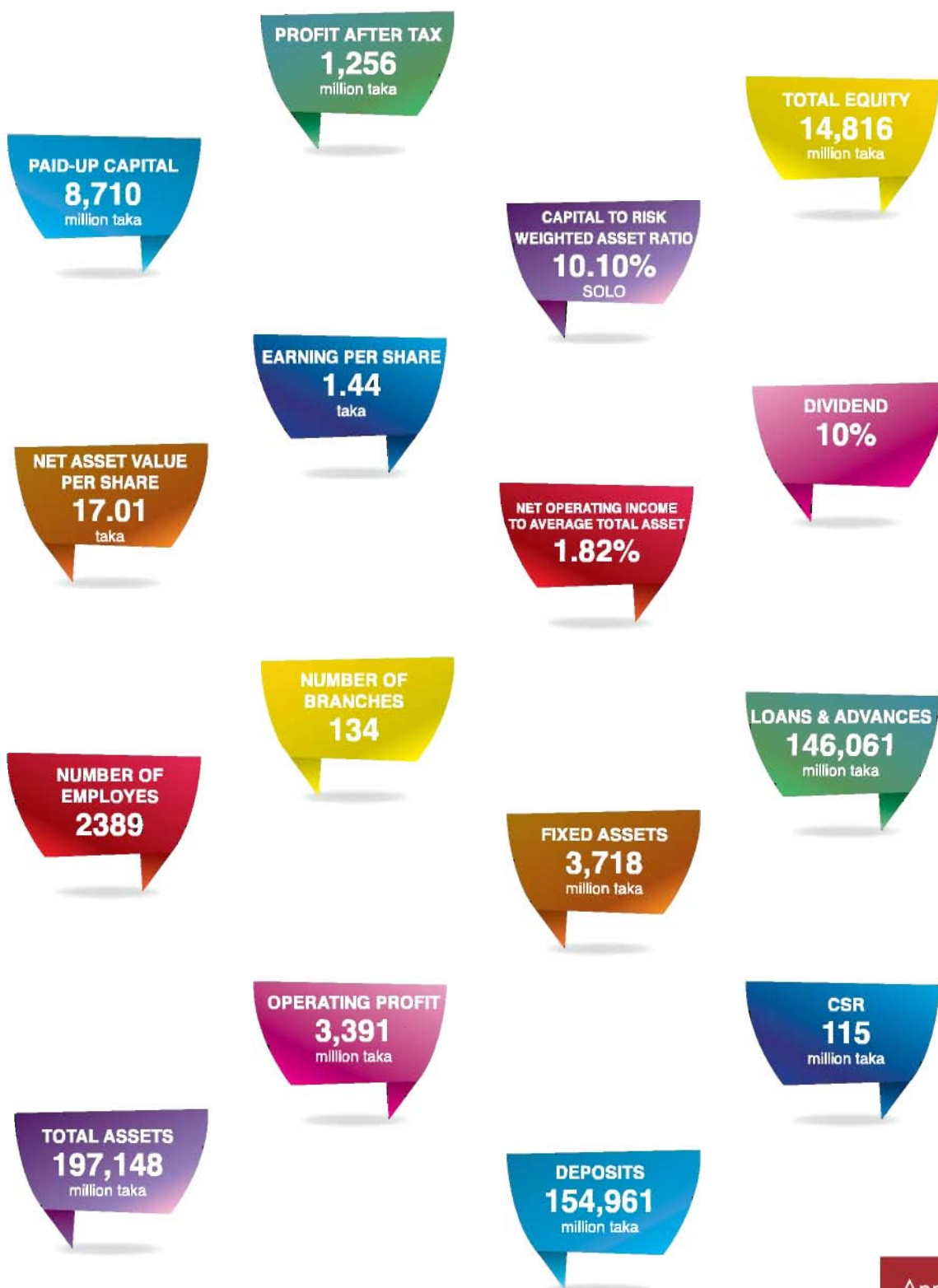
- Agent Banking SBL

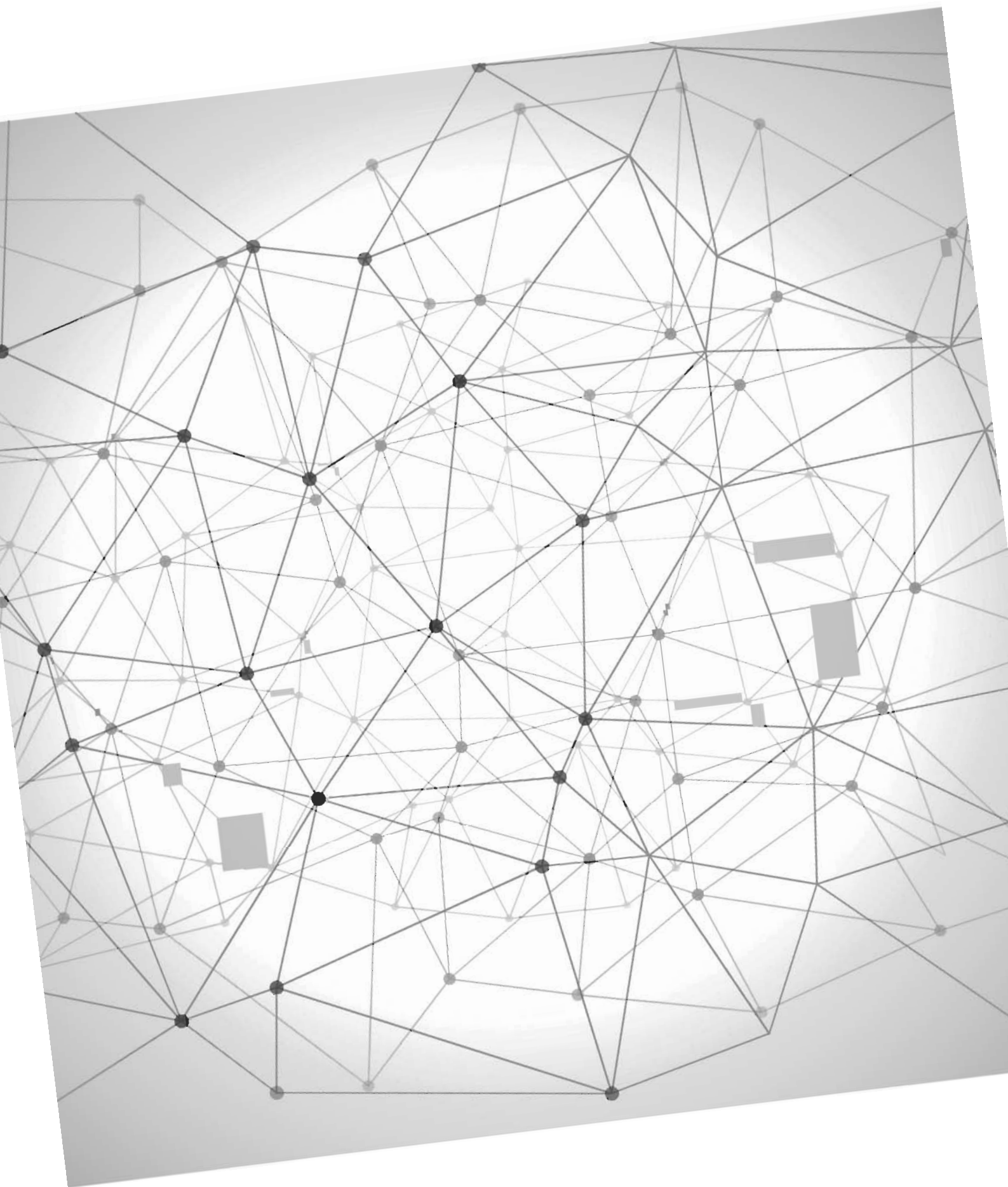
OUR VALUE DRIVEN BUSINESS MODEL

| ABOUT STANDARD BANK LIMITED |



SBL HIGHLIGHTS 2018







CORPORATE GOVERNANCE

Drill
Down





DIRECTORS' PROFILE



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 respectable Kazi family of Kotalipara, Gopalganj. Mr. Akram Uddin Ahmed did his MSc. in Physics from Dhaka University in 1963 and thereafter received several local and foreign professional diplomas and training. He did post-graduation diploma in Personnel Management from UK in 1974 and Industrial Management training from Switzerland in 1980. Initially, he started his career as a lecturer in the then Jagannath College, Dhaka and after a short spell of teaching profession, he switched over to administrative career in the Industrial Sector, in Mohammodi Steel Chattogram 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., Chattogram, Bright Trader (Overseas), Chattogram. 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 organizations 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 International Director of Lions Club International, Past Council Chairman of from Multiple District 315, Bangladesh, the Founder & Life Member of Dhaka and Lions Blood Bank, Former Chairman of Chattogram Lions Foundation, Eye Hospital, the biggest Lion Eye Hospital of the Country, Life Member of Bangladesh Lions Foundation, Advisor of Chattogram Diabetes Association, Life Member of Bangladesh Red Crescent Society, Bangladesh Family Planning Samity, Bangladesh Diabetic Samity, Chattogram Shishu Hospital and Permanent Member of Chattogram Club Ltd. He is the Chairman, founder, donor, patron & trustee of so many educational institutions and charitable hospital of the country.

He is a valiant freedom fighter 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.



MOHAMMED ABDUL AZIZ

Vice Chairman

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

Ln. Aziz completed his SSC examination from renowned Galimpur Rahmania High School in the year 1968. Later he completed his HSC from Govt. Dhaka College in the year 1970. He was 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 education instead of joining any service, he started his own business. By dint of his untiring efforts and 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. In 1998 he joined Midland Credit Cooperative Society as Managing Director & Chairman. By his effort & leadership skills he made it a top leading cooperative society in Bangladesh. Furthermore, he focused on different business ventures including hotel industry, garments sector and so on. He is a former Vice Chairman of Moon Lux Knit Composite Garments Ltd. He is also the founder member of Board of trustee of 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 315B2, 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. Besides being an active humanitarian and social worker, Ln. Aziz devoted himself into many other social and welfare works with the following that include:

1. Major donor & member of governing body of Arambagh Girls' High School
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 and a reputed business personality, Lion Aziz received numerous awards and recognitions.



KAMAL MOSTAFA CHOWDHURY

Director

Mr. Kamal Mostafa Chowdhury, a distinguished business personality comes of a respectable Muslim family of Kazim Chowdhury Bari at Gunagari, Banskhali in Chattogram district. While Mr. Chowdhury was studying in Chittagong University, he started his business career in import-export and shipping sector. He has taken part in establishing a good number of business entities including bank. He is the Founder Vice Chairman & Chairman of Executive Committee of Standard Bank Ltd., former Managing Director of Raja Securities Ltd., Proprietor of Raja Corporation and KMC International, Director of Holy Crescent Hospital in Chattogram. He is a highly experienced professional with successful track record in international trading.

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, Banskhali, Gunagari and former member of Kokdandi Gunagari High School Committee at Banskhali in Chattogram, Member of Chittagong Club Limited, Chittagong Seniors Club Limited, Chittagong Boat Club Limited, Mainamati Golf and Country Club, Cumilla, Army Golf Club, Dhaka and Life Member of Chittagong Press Club, Rifles Club, Chittagong Diabetic Hospital, Chittagong Maa-O- Shishu Hospital, Lion Blood Bank, former Vice Chairman of advisory committee for Chattogram Samity in Dhaka. He is the former President of Banskhali Samity in Dhaka.

Mr. Chowdhury, a vibrant business leader is associated with a number of trade bodies and associations devoted to business development of the country. He is the Senior Director of Chittagong Chamber of Commerce and Industries, former 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, United Kingdom, China, Thailand, Bhutan, Japan and Taiwan. By virtue of religious devotion, he has performed holy Hajj thrice.



ASHOK KUMAR SAHA

Director

Mr. Ashok Kumar Saha, a thorough professional and prominent Industrialist, was born in a renowned Hindu family at Ghatforhadbegh, Chattogram. He completed his post graduation in Chemistry from University of Chattogram, 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 Chattogram region twice. Mr. Ashok Kumar Saha is widely known in the business arena in Chattogram 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 gained phenomenal 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 in Bangladesh Special Olympic Team, New Heaven, Connecticut, USA and contributed for Sports of Bangladesh Olympic Association, Dhaka on 2009.



FEROZUR RAHMAN

Director

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 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. 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 LCI
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



MD. MONZURUL ALAM

Director

Mr. Md. Monzurul Alam is a renowned Industrialist having over 35 years of business experience. He is the Chairman of H. M. Steel & Industries, Limited, Alhaj Mostafa Hakim Bricks Limited & Managing Director of Golden Ispat Ltd, Golden LPG Ltd. Jaher & Co. Limited, Golden Brickworks 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 and Mutual Jute Spinners Ltd. He is also the Proprietor of M/s. Monzur Alam. Besides, he is a General Member of Chattogram 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 Chattogram 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 Chattogram 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 Chattogram 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, Chattogram. 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 improvement of the downtrodden at his village in Noapara.

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



AL-HAJ MOHAMMED SHAMSUL ALAM

Director

Mr. Al-Haj Mohammed Shamsul Alam was born in 1953 at Noapara, Raozan, Chattogram and he is in 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 domain. Mr. Mohammed Shamsul Alam in his first business life belonged to his family business "Trading of Clothes" at Kurbanigong, Chattogram.

Mr. Alam is a Sponsor Director of Standard Bank Limited. He is also the Managing Partner of M/s Radio Vision, Managing Director of PAM Complex (Pvt.) Ltd. which is the manufacturer of Garments poly bag and others accessories, CIDER Education Services Ltd., Chattogram and Partner of AB Electronics. He was also Ex-Director and Ex-member of Executive Committee of MIDAS Financing Limited. Recently he involved with Telecommunication business and became the partner of the "G" Telecom, "G" Distribution, "GNET" Digital Communications Center, Chattogram, etc.

Mr. Mohammed Shamsul Alam is also a devoted social worker and involved with the following institutions:

1. Founder President of "Amena Bashar Boyoshka Punarbashan Kendra" an exclusive self-financial project in Noapara Raozan, Chattogram
2. Member of the Lions Clubs of Chattogram
3. Associate Member of the Chattogram 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 jewellery business since 1982 and it has expanded 7 branches in Dhaka city. Mr. Gulzar Ahmed has got practical experience of over 38 years in different business sectors. He is the Director and Ex Vice Chairman of Standard Bank Ltd.



MD. ZAHEDUL HOQUE

Director

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

Mr. Zahedul Hoque is the proprietor of M/S Zahed Brothers (import of food grains, 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 Chattogram Export Processing Zone) and Director of M/S Noor Oil and Food Products Limited, M/S Arafat Limited (Iodized Salt Industries). Mr. Md. Zahedul Hoque is associated with many renowned social organizations and also devoted to social works as well as involved with the following institutions in different capacities:

1. Director of the Chittagong Chamber of Commerce and Industries (CCCI)
2. Member of the governing body of Hazi Mohammed Nurul Hoque Degree College, Shakpura, Boalkhali, Chattogram.
3. Life Member of Army Golf Club, Dhaka
4. Permanent Member of Chittagong Boat Club
5. Permanent member of Chittagong Club Ltd.
6. Permanent Member of Chittagong Seniors Club Limited, Chittagong
7. Permanent member of The Chittagong Collegiate School '85
8. Life member of Maa o Shishu Hospital, Agrabad, Chittagong
9. Member of Bangladesh Garments Manufacturing & Export Association (BGMEA)



AL-HAJ MOHD. YOUSUF CHOWDHURY

Director

Al-Haj Mohd. Yousuf Chowdhury, a renowned and well established business personality comes from a respectable Muslim family at Chittagong who has more than 33 years of proven 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 contributes in many educational institutions, madrasa and different charitable organizations. He continuously is helping the disaster people around the country.



FERDOUS ALI KHAN

Director

Mr. Ferdous Ali Khan is a reputed businessman hails from a very respectable Muslim family of Dinajpur. All of his brothers, sisters are highly educated and well placed in the society.

His father late Siddique Ali Khan was an educated businessman of Dinajpur. In order to gain expertise in Tailoring, Mr. Khan started his career as a maker in a Tailoring Factory in Dhaka in the year 1972. After five years, he worked as a Cutting Master and worked till 1980. In the year 1980, September 18th he started his own Tailoring shop at Jahan Mansion, 29 Mirpur Road, Dhaka-1205. His devotion and dedication, helped him gaining far and wide reputation as an Iconic Tailoring House in the city. In September 1986, he opened his 2nd branch at the diplomatic area of Gulshan. Since then, he has been marching forward and opened branches in Chattogram port city, Hotel Isha Kha Market, VIP Road, Kakrail, Panthapath Dhanmondi & Kuril.

For his proposed factory & branch, he already purchased floor spaces for another branch at Kazi Shopping Center, Progoti Sharani (Bishwa Road), Badda, Dhaka- 1229 in June, 2006. He has already started a world class central factory & showroom. He is a sponsor Director of Standard Bank Ltd., member of Uttara Club Ltd., Army Golf Club and BCI, Dhaka. Mr. Khan is married and a proud father of two daughters and one son.



KAZI SANAUL HOQ

Director

Mr. Kazi Sanaul Hoq has been Managing Director of Investment Corporation of Bangladesh since August 10, 2017. Mr. Hoq served as Managing Director of Agrani Bank Limited from August 15, 2016 to August 29, 2016. Mr. Hoq served as General Manager of Bangladesh Development Bank Limited (BDBL) since August 29, 2013. He served as Deputy Managing Director of Agrani Bank Limited until August 15, 2016. He started his professional career as a Class-I Officer in Investment Corporation of Bangladesh (ICB) on October 25, 1984 and served in different positions in the same organization. During his long colorful career he worked in different divisions in ICB and demonstrated outstanding performance in the respective area of operations. He served as Secretary to the Board of ICB from March 23, 2005 to June 30, 2008. He also served as the Chief Executive Officer of ICB Securities trading company Ltd. from July 1, 2008 to March 20, 2011. He served in Rajshahi Krishi Unnayan Bank from March 21, 2011 to April 27, 2011. He served as Managing Director of Rajshahi Krishi Unnayan Bank (RAKUB) and also served as its General Manager. Mr. Hoq also served as the Chairman of ICB Capital Management Ltd. He has been Nominated Director of The ACME Laboratories Ltd. since October 13, 2017. He has been a Director of Renata Limited since September 18, 2017. He has been also a Director of Linde Bangladesh Limited since November 8, 2017. He has been a Director of the Peninsula Chattogram Limited since September 19, 2017. He has been a Director of Investment Corporation of Bangladesh since August 10, 2017 and Nominee Director of Standard Bank Ltd. since September 28, 2017. He serves as Director at Central Depository Bangladesh Limited. He serves as a Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), GlaxoSmithKline Bangladesh Ltd. (GSK), Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Agency of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL), National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL) and some other.

He served as a Director of The Dacca Dyeing & Manufacturing Company Limited since August 29, 2013. He served as Director of Agrani Bank Limited from August 15, 2016 to August 29, 2016. He served as a Director of Bangladesh Welding Electrodes Ltd. since April 9, 2013. He served as a Director of Investment Corporation of Bangladesh from July 21, 2016 to September 5, 2016. Mr. Hoq holds a B.Com (Hons) and M. Com in Accounting from Dhaka University.



SAHAZADA SYED 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 53 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. the then United Bank Limited & Habib Bank Limited and 02 other third generation pcbs 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.

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 BIM, Executive Committee Member of the "Institute of Bankers", Bangladesh, and 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 a Former permanent Member, Chattogram 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 innumerable 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. 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 Shah Sufi Syed Moulana Golam-Ur-Rahman Al-Hasani, Wal-Hussiany, Al Quaderi, Al-Maizbhandari (Q.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 Chattogram, 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 Ommereen Tank Terminal Bangladesh Ltd.(VOTT-B) & International Oil Mills Ltd. (IOM), North Patenga, Chattogram as a nominee of Foreign Shareholders (USA & Dutch).

At present he has been serving as

1. Honorary Chairman, Chittagong Lions Foundation & Lions Charitable Eye Hospital since 2009
2. Resident Director & Advisor, SKM Jute Mills Limited, Sitakund, Chattogram, since 2004
3. General Secretary, Anjumane Mufidul Islam, Chattogram, since 2013
4. Governing Body Member of Latifa Siddiqi Degree College, Chattogram, since 2014, Latifa Siddiqi Girls' High School, Chattogram, since 2014, Imdad Sitara Khan Lions Kidney Center, CLF Complex, Chattogram, since 2014 & Lions service complex, Chattogram, since 1990
5. Vice Chairman & Member of Trustee Board, Lions Anowara Taher Physiotherapy Clinic CLF Complex, Chattogram, since 2009
6. EC Member, Chattogram Rifles Club, since 2008
7. Permanent Member of Chattogram Club Ltd. since 1993 and Donor Member of Kattali Nurul Huq Chy High School Chattogram, since 1985. He also served in the following Industrial/Business Social-Welfare Organizations:
8. Ex-Administrator, Bangladesh Tank Terminal Limited, Patenga, Chattogram, (1975 & 1976),

MD. NAZMUS SALEHIN

Independent Director

Mr. Md. Nazmus Salehin, a top notch public sector banker of the country, who has been active in banking service for the last 37 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. He was 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 MSC in Physics from Dhaka University. He held various Senior and Top Management 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 outstanding performance and distinctive competence in banking career, he became 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 both at home and abroad. He is actively associated with many sociocultural 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 & settled in Canada respectively.





MAMUN-UR-RASHID

Managing Director & CEO

Mr. Mamun-Ur-Rashid, an inspired banker with more than three decades of satisfying experience in banking has joined Standard Bank Limited on 15th April, 2013 as Deputy Managing Director. Mr. Mamun started his banking career with National Bank as a Probationary Officer in the year 1984. In his long outstanding career progression, he capitalizes the opportunities to be associated with few other banks like NCCB, Prime Bank, UCB and Premier Bank. Prior to joining SBL, he was the Deputy Managing Director of Premier Bank Limited and United Commercial Bank Limited. Throughout his banking career Mr. Mamun has held different senior management positions in the field of Credit Risk Management, Corporate Banking, Information Technology, Internal Control and Compliance, International Trade & Finance, Recovery & Law, General Services and including creditable exposure in branch banking as Head of Branch. His imaginative sense and inspired leadership combined with understanding knowledge and practical experience led to continuous and sustainable growth in every organization he worked for. Mr. Mamun attended numerous seminars, workshops and training programs both at home and abroad. He extensively visited many countries including USA, United Kingdom, Italy, Singapore, Malaysia, Thailand, China, UAE, Saudi Arabia, Egypt, and Qatar. Mr. Mamun served as a Lecturer of Political Science in Sitakund Degree College, Chattogram prior to joining the Banking Industry. He is happily married with Mrs. Jesmin Chowdhury and are blessed with a son and a daughter.

SPONSORS OF THE BANK



1 Ln. Kazi Akram Uddin Ahmed
Sponsor & founder Chairman

2 Kamal Mostafa Chowdhury
Sponsor & Founder Vice Chairman

3 Mohammad Nurul Islam
Sponsor

4 Late Nani Gopal saha
Sponsor

5 Al-haj Mohammad Ayub
Sponsor

6 Ferozur Rahman
Sponsor

7 Harun Rashid Chowdhury
Sponsor

8 Md. Monzurul Alam
Sponsor

9 S.A.M. Hossain
Sponsor

10 Mohammed Abdul Aziz
Sponsor

11 Al-haj Mohammed Shamsul Alam
Sponsor

12 Late Abdul Ahad
Sponsor

13 Late Al-haj Md. Nurul Haque Sowdagar
Sponsor

14 Ferdous Ali Khan
Sponsor

15 Harun-Or- Rashid
Sponsor

16 Late Mahabub Uddin Molla
Sponsor

17 Farzana Yousuf
Sponsor

EXECUTIVE COMMITTEE



Mr. Md. Zahedul Hoque
Member

Mr. Mohammed
Abdul Aziz
Member

Mr. Kamal Mostafa
Chowdhury
Member

Mr. S.A.M. Hossain
Member

Mr. Gulzar Ahmed
Member

Mr. Ferozur Rahman
Chairman

Mr. Ashok Kumar Saha
Member

AUDIT COMMITTEE



Mr. Md. Ali Reza
Member Secretary

Mr. Md. Nazmus
Salehin
Member

Mr. S. S. Nizamuddin
Ahmed
Chairman

Al-haj Mohammed
Shamsul Alam
Member

Mr. Najmul Huq
Chaudhury
Member



Mr. Kazi Sanaul Hoq, Member
Absent from the group photograph

RISK MANAGEMENT COMMITTEE



Mr. Md. Ali Reza
Member Secretary

Mr. Ferdous Ali Khan
Member

Mr. Mohammed Abdul Aziz
Member

Mr. Md. Tairqul Azam
AMD and CRO

Mr. Md. Nazmus Salehin
Member

Mr. Kazi Akram Uddin Ahmed
Chairman

Mr. Mamun-Ur-Rashid
MD & CEO



Mr. S. A. M. Hossain, Member
Absent from the group photograph

CORPORATE GOVERNANCE |

SHARIAH SUPERVISORY COMMITTEE



Janab Kazi Akram Uddin Ahmed
Chairman



Janab Hafiz Kazi Muhammad Ibrahim
Member



Janab Kazi Khurram Ahmed
Member



Janab Dr. Muhammad Saifullah
Member



Janab Mamun-Ur-Rashid
Ex-Officio Member

COMMITTEES OF THE BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Sl. No.	Name	Designation
1	Mr. Ferozur Rahman	Chairman
2	Mr. Kamal Mostafa Chwodhury	Member
3	Mr. Ashok Kumar Saha	Member
4	Mr. S.A.M. Hossain	Member
5	Mr. Mohammed Abdul Aziz	Member
6	Mr. Gulzar Ahmed	Member
7	Mr. Md. Zahedul Hoque	Member
8	Mr. Md. Ali Reza	Member Secretary

AUDIT COMMITTEE

Sl. No.	Name	Designation
1	Mr. S. S. Nizamuddin Ahmed	Chairman
2	Al-haj Mohammed Shamsul Alam	Member
3	Mr. Kazi Sanaul Hoq	Member
4	Mr. Najmul Huq Chaudhury	Member
5	Mr. Md. Nazmus Salehin	Member
6	Mr. Md. Ali Reza	Member Secretary

RISK MANAGEMENT COMMITTEE

Sl. No.	Name	Designation
1	Mr. Kazi Akram Uddin Ahmed	Chairman
2	Mr. S.A.M. Hossain	Member
3	Mr. Mohammed Abdul Aziz	Member
4	Mr. Ferdous Ali Khan	Member
5	Mr. Md. Nazmus Salehin	Member
6	Mr. Md. Ali Reza	Member Secretary

SHARIAH SUPERVISORY COMMITTEE

Sl. No.	Name	Designation
1	Janab Kazi Akram Uddin Ahmed	Chairman
2	Janab Hafiz Kazi Muhammad Ibrahim	Member
3	Janab Kazi Khurram Ahmed	Member
4	Janab Dr. Muhammad Saifullah	Member
5	Janab Mr. Mamun-Ur-Rashid	Ex-officio Member
6	Janab Md. Ali Reza	Member Secretary

MANAGEMENT COMMITTEE



MR. MAMUN-UR-RASHID
Managing Director

MR. MD. TARIQUL AZAM
Additional Managing Director

MR. MD. MOTALEB HOSSAIN
Deputy Managing Director

MS. ALKONA K. CHOUDHURI
SEVP & Head of HRD

MR. MD. MASHIUR RAHMAN
EVP & Head of Credit Division

MR. SYED ANISUR RAHMAN
EVP & Head of ID

MR. MD. NAZRUL ISLAM
EVP & Manager, Principal Branch

MR. MD. ZASHIM UDDIN
SVP & Head of ICCD

MR. MD. ZAHANGIR ALAM
VP & Head of FAD

MR. MD. ALI REZA
VP & CFO

MANAGEMENT TEAM

Managing Director & CEO

Mr. Mamun-Ur-Rashid

Additional Managing Director

Mr. Md. Tairqul Azam

Deputy Managing Director

Mr. Md. Motaleb Hossain

Sr. Executive Vice President

Ms. Haider Nurun Naher

Mr. Feroze Alam

Ms. Alkona K. Choudhuri

Executive Vice President

Mr. M Ahsan Ullah Khan

Mr. Syed Anisur Rahman

Mr. Md. Nazrul Islam

Mr. Sk. Sirajul Kabir

Mr. Md. Forhad Hossain

Mr. Md. Mashur Rahman

Mr. Bidyut Kumar Das

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

Mr. Mohammad Mahmud Alam

Mr. Md. Iqbal

Mr. Ali Mohammad Nurul Huda

Vice President

Mr. Muhammad Golam Mustafa

Mr. Md. Suruj Ali

Ms. Quamrun Nahar Hasmi

Mr. Mominul Abedin

Mr. Rahim Khan

Mr. Md. Zahangir Alam

Mr. Md. Ekramul Haque

Mr. Md. Ali Reza FCMA

Ms. Rubina Khan

Mr. Md. Shafiqul Hassan

Mr. Prabir Ranjan Das

Mr. Ashek Abedin

Mr. Mohammad Ali

Mr. Mohammad Zahid Hasan

Mr. Md. Rafiqul Islam

Mr. Md. Ibrahim Khalil

Mr. Syed Mosnoon Ali

Ms. Rebeka Sultana

Mr. Md. Abu Hena Nazim Uddin

Mr. Md. Saiful Islam

Mr. S. M. Nazrul Islam

Mr. Md. Raisul Alam

Mr. Md. Aminul Islam

Mr. Md. Mahbubur Razzak

Mr. Md. Farhad Hussain

Mr. Md. Farukuzzaman

Mr. Nesar Ahmed Mridha

Mr. Golam Rahman

Mr. Md. Rezaul Hoque

Mr. Mohammad Shohrab Hossain

Mr. Mohammad Faisal

Mr. Mesbah Ul Alam

Mr. A.K.M. Manjur Alam

Mr. Shah Rahat Uddin Ahmed

Mr. M A Goffer Daria

Mr. Mohammad Masudur Rahman

Mr. Md. Ibne Khaled

Mr. Hossain-Al-Safeer Chowdhury

Senior Assistant Vice President

Mr. Humayun Kabir
Mr. Parvez Mahfuz
Mr. Md. Ataur Rahman
Mr. Md. Abu Sayeed
Mr. Md. Moyeedul Islam
Mr. Mohammad Ahmed Zaki
Mr. M. S. Shahriar
Mr. Mohammad Amzad Hossain Fakir
Mr. Mir Mohammad Emrul Kayes
Mr. Shahnur Md. Oleul Hassan
Mr. Md. Khorshed Alam
Mr. Tapas Kumar Mandal
Mr. Mohammad Jahangir Alam
Mr. Md. Alhaj Ullah
Mr. Shabbir Ahmad Chowdhury
Mr. Shuvra Chakraborty
Mr. Mohammed Azharul Islam Khan
Mr. Nur Mohammad Rahat Hossain
Mr. Gazi Rahat Mahmood
Ms. Sultana Jahan
Mr. Md. Nayeem Bhuiya
Mr. Md. Zahidul Hassan
Mr. Munir Hossain
Ms. Farida Parvin
Mr. Monjur Morshed Khan
Mr. Muhammad Muzibur Rahman
Mr. Md. Mahmudul Haque
Mr. Md. Hamidul Haque
Mr. Md. Miganur Rohman
Mr. Mohammad Zakir Hossain
Mr. A K M Laznur Rahman
Mr. Rafique Mahmud
Mr. Md. Shahjalal Khan Mojlish
Mr. Md. Shariful Islam
Mr. Md. Touhidul Huq
Mr. Md. Saiduzzaman Chowdhury
Mr. Md. Khurshed Alam
Mr. Sk. Mustafizul Islam
Mr. Sharif Zahirul Islam
Mr. Md. Mosharraf Hossain Khan
Mr. Md. Habibullah Sayed
Mr. Mir Md. Abbas Ali

Asst. Vice President

Mr. Golam Mostafa
Mr. Md. Shafiqul Islam
Mr. Aziz Ahmed
Mr. Khandoker Didarul Islam
Mr. Fachihul Alam Chowdhury
Mr. Md. Rezaur Rahman
Mr. Md. Hasibul Hasan
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Ms. Elora Abedin
Mr. Mohammad Mafujur Rahman Bhuiyan

Conference

Standard Bank
Standard Bank
CEO, Standard Bank



চেয়ারম্যান মহোদয়ের ভাষণ

বিস্মিল্লাহির রাহমানির রাহিম,
সম্মানিত শেয়ারহোল্ডারবৃন্দ, পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দ, ব্যবস্থাপনা কর্তৃপক্ষ ও
শ্রদ্ধের অতিথিবৃন্দ,

আস-সালামু আলাইকুম।

আষাঢ়ের এই শুভ সকালে স্ট্যান্ডার্ড ব্যাংক লিমিটেডের ২০তম বার্ষিক সাধারণ সভার পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সবাইকে স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত ও সম্মানিত বোধ করছি। আমি কৃতজ্ঞতা ও শ্রদ্ধা নিবেদন করছি তাদের উদ্দেশ্যে, যাদের অব্যাহত সমর্থন, সক্রিয় সহযোগিতা ও উদ্বীপনা, বিগত বছরগুলিতে আমাদের অগ্রগতি অর্জনে সহায়ক ভূমিকা পালন করেছে। যাদের অকুণ্ঠ সমর্থন ও অনুপ্রেরণাই আমাদেরকে কঠিন চ্যালেঞ্জ সফলভাবে মোকাবিলার শক্তি জুগিয়েছে, 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 নিচয়ই অবগত আছেন, কল্যাণধর্মী বাণিজ্যিক ব্যাংক হিসেবে দেশের আর্থসামাজিক উন্নয়নে অবদান রাখার পাশাপাশি স্ট্যান্ডার্ড ব্যাংককে একটি শীর্ষস্থানীয় ও বিশ্ব মানের 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 স্ট্যান্ডার্ড ব্যাংক লিমিটেডের ২০১৮ সালের বার্ষিক প্রতিবেদন সম্মানিত পরিচালনা পর্ষদের পক্ষ থেকে উপস্থাপন করছি, যা ব্যাংকের সার্বিক কার্যক্রম সাফল্য ও ব্যর্থতা সম্পর্কে একটি স্বচ্ছ ধারণা প্রদান করবে।

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

দেশের সকল স্তরের জনসাধারণকে আধুনিক ব্যাংকিং সুবিধা প্রদান এবং স্বচ্ছতা, জবাবদিহিতা ও আন্তঃব্যাংক প্রতিযোগিতার মাধ্যমে উন্নততর-গ্রাহক সেবা প্রদান ও একটি শক্তিশালী কর্পোরেট সুশাসন প্রতিষ্ঠার লক্ষ্য নিয়ে ১৯৯৯ সালে আমাদের ব্যাংকের যাত্রা শুরু হয়েছিল। আমাদের সক্রিয় কর্মতৎপরতার 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 ভূ-রাজনৈতিক সংঘাত সহ নানামুখী চ্যালেঞ্জের কারণে বিশ্ব অর্থনীতি কাল্পনিক লক্ষ্যে পৌঁছাতে পারেনি, যার ফলে প্রবৃদ্ধির ক্ষেত্রে উন্নত ও উন্নয়নশীল দেশগুলোর মধ্যে ছিল ভিন্ন ভিন্ন গতি। তবে আশার কথা এই যে, বিশ্বব্যাপী বিরাজমান প্রবৃদ্ধির মিশ্র অবস্থার মধ্যে উদীয়মান অর্থনীতির উজ্জ্বল দৃষ্টান্ত হিসেবে বাংলাদেশ বিশ্ব ভুবনে আলোচিত একটি দেশ। বৈশ্বিক অর্থনীতির অনিশ্চয়তা সত্ত্বেও বাংলাদেশের অর্থনীতি ক্রমাগত ৩ (তিন) বছর ধরে ৭ শতাংশের বেশি জিডিপি প্রবৃদ্ধি অর্জন করেছে। ২০১৭-১৮ বৎসরে জিডিপি দাঁড়িয়েছে ৭.৮৬ শতাংশ এবং ২০১৮-১৯ সালে ৮.১৩ শতাংশ প্রাক্কলন করা হয়েছে। ক্রয় ক্ষমতার ভিত্তিতে বাংলাদেশের অবস্থান ৩১ তম এবং জিডিপি'র ভিত্তিতে ৩৯তম স্থানে উঠে এসেছে। বর্তমানে বাংলাদেশ গড় আয় দাঁড়িয়েছে ১,৮২৭ মার্কিন ডলারে। দারিদ্রের হার ৯%-এ নেমে এসেছে। ২০২১ সালের মধ্যে দারিদ্রতার লক্ষ্যমাত্রা শূণ্যের কোটায় নামিয়ে আনার পরিকল্পনা রয়েছে। ২০১৮ সালে বৈদেশিক মুদ্রার রিজার্ভ ৩২.৯২ বিলিয়ন ডলারে উন্নীত হয়েছে। ওয়ার্ল্ড ইকোনোমিক ফোরামের রিপোর্ট, ২০১৮ অনুযায়ী অন্তর্ভুক্তিমূলক উন্নয়ন সূচকে (Inclusive Development Index) ৩.৯৮ পয়েন্ট অর্জন করে ৭৭টি উন্নয়নশীল দেশের মধ্যে বাংলাদেশ ৩৪তম স্থান দখল করে ভারত ও পাকিস্তানকে পেছনে ফেলেছে।

বাংলাদেশের অর্থনীতিতে নতুন মাত্রা যোগ করেছে বেশ কয়েকটি মেগা প্রকল্প তথা পদ্মা সেতু, রূপপুর পারমাণবিক কেন্দ্র, মাতারবাড়ি কয়লা বিদ্যুৎ প্রকল্প, রামপাল তাপ বিদ্যুৎ কেন্দ্র, মেট্রোরেল এবং এলএনজি টার্মিনাল, পায়রা সমুদ্র বন্দর সহ আরো মাঝারি প্রকল্প সমূহ। এসব প্রকল্পের Backward and Forward Linkage বিপুল অর্থনৈতিক প্রবাহ সৃষ্টি করেছে। এছাড়া, ১০০টি অর্থনৈতিক অঞ্চল গড়ে তোলার পরিকল্পনা বাংলাদেশ অর্থনীতিকে বেগবান করেছে। আমরা ব্যাংকিং সেক্টর সেবা খাতের অন্তর্ভুক্ত। বাংলাদেশ অর্থনীতিতে সেবা খাতের অবদান সবচেয়ে বেশি। জিডিপি'র ৫২.১৮% সেবা খাত থেকে উৎসারিত। কৃষি ও শিল্প যথাক্রমে ১৪.৭৪% ও ৩৩.৭১% অবদান রাখে। অতি

সম্প্রতি এইচএসবিসি এবং অক্সফোর্ড ইকোনোমিক্স কর্তৃক যৌথভাবে প্রণীত এক প্রতিবেদনে বলা হয়েছে, ‘বিশ্ব অর্থনীতির অনিশ্চয়তার মধ্যেও বাংলাদেশ বিস্ময়করভাবে স্থিতিশীল ছিল’। প্রতিবেদনে পূর্বাভাস দেয়া হয়েছে, বাংলাদেশের পোশাক রপ্তানি ২০২০ সাল পর্যন্ত বছরে গড়ে ৯ শতাংশ হারে বাড়বে। একই সাথে জাতিসংঘের আঙ্কটাডের বরাত দিয়ে তথ্যপ্রযুক্তি ও পর্যটনকে ভবিষ্যতে সেবা রপ্তানির একটি সম্ভাবনাময় খাত হিসেবে গণ্য করা হয়েছে। তবে, বাংলাদেশ অর্থনীতির জন্য আশংকাও প্রকাশ করা হয়েছে প্রধানত; দু’টি বিষয়কে ঘিরে। তা’ হচ্ছে, প্রথমত: যুক্তরাষ্ট্র পরিবর্তিত পরিস্থিতিতে পণ্য আমদানিতে শুল্ক আরোপ করলে এবং দ্বিতীয়ত: ব্রেজিলের পর যুক্তরাজ্যে পণ্যের চাহিদা কমে গেলে বাংলাদেশের রপ্তানি খাত ক্ষতিগ্রস্ত হতে পারে। আগামী দিনের বাংলাদেশ অর্থনীতির সম্ভাবনা ও চ্যালেঞ্জ দু’টোই থাকবে এবং নানা বিশ্লেষণে একটি স্থিতিশীল ও অগ্রসরমান অর্থনীতির চিত্রই ফুটে ওঠে।

২০১৮ সাল ব্যাংকিং খাত স্থিতিশীলতার দিকে আরো এক ধাপ এগিয়ে যেতে সহায়ক পরিবেশে ব্যাংকিং কার্যক্রম পরিচালনার সুযোগ লাভ করেছিল। মাথাপিছু আয় বৃদ্ধি, ৯০% জনগোষ্ঠী বিদ্যুৎ সুবিধার আওতায় আসা, ৬ কোটি মানুষ নিম্ন আয় থেকে মধ্যম আয়ে উন্নীত হওয়া প্রভৃতির উত্খতভর্ধ্বমুখী সূচক অন্তর্ভুক্তিমূলক ব্যাংকিং এর ক্ষেত্রকে প্রসারিত করেছে। এছাড়া, মুদ্রাস্ফীতি ৫.৫৬ শতাংশের মধ্যে থাকায় সঞ্চয়ের উপর ইতিবাচক প্রভাব পড়েছে। সদ্য বিদায়ী বছর শেষে ব্যাংকিং খাতে আমানতের পরিমাণ দাঁড়িয়েছে ১০ লক্ষ ১০ হাজার কোটি টাকা এবং ঋণপ্রবাহ ৯ লক্ষ ৬০ হাজার কোটি টাকায় উন্নীত হয়েছে। আমদানি বাণিজ্যের পরিমাণ ছিল ৪ লক্ষ ৮৫ হাজার কোটি টাকা এবং রপ্তানি ৩ লক্ষ ২২ হাজার কোটি টাকা। ব্যাংকিং খাতের জন্য এগুলো ছিল ইতিবাচক দিক। তবে বিগত বছরে ব্যাংকিং খাত খেলাপি ঋণ হ্রাসকরণে সফলতা দেখাতে পারেনি; বরং এর পরিমাণ আরো বেড়েছে। ২০১৮ সালে শ্রেণীকৃত ঋণের পরিমাণ দাঁড়িয়েছে ৯৩ হাজার কোটি টাকা। এছাড়া, অবলোপনকৃত ঋণের পরিমাণ ৩ হাজার ২০৭ কোটি টাকা; যার সিংহভাগই আদায়ের সম্ভাবনা ক্ষী।

২০১৮ সালে ব্যাংকের শাখার সংখ্যাও বেড়েছে এবং বছর শেষে প্রায় ১০,১১৪ টি শাখা ব্যাংকিং সেবা প্রদান করেছে। ব্যাংকিং খাতের বিনিয়োগকে অধিকতর ব্যবসা বাস্কব করার লক্ষ্যে সুদের হার এক ডিজিটে আনার প্রচেষ্টা অব্যাহত রয়েছে। বাংলাদেশ ব্যাংকের নির্দেশনার আলোকে স্বেচ্ছ ৫ শতাংশের মধ্যে রাখার জন্য ব্যাংকগুলো নিষ্ঠার পরিচয় দিচ্ছে। বাংলাদেশের মুদ্রানীতি (জুলাই-ডিসেম্বর, ২০১৮) অনুসারে ব্যাংকের ঋণ প্রবাহ ১৩.৩ শতাংশ বৃদ্ধির কথা বলা হয়। সে হিসেবে ব্যাংকের ঋণ প্রবৃদ্ধি যথাযথ পর্যায়ে রয়েছে। ব্যাংকিং খাতের সার্বিক চিত্র অবশ্যই আশাব্যঞ্জক। তবে খেলাপি ঋণের উর্ধ্বমুখী প্রবণতা কিছুটা ক্ষত সৃষ্টি করেছে। বৈদেশিক বাণিজ্যের ক্ষেত্রে ২০১৭-২০১৮ আর্থিক

বছরে মোট রপ্তানি বাণিজ্য ৩২.২২ বিলিয়ন ডলারের মধ্যে তৈরি পোষাকখাতেই ২৭.০৬ বিলিয়ন ডলার যা ৮৪% এবং আমদানি বাণিজ্যের পরিমাণ ৩৭ বিলিয়ন ডলার। তবে, বিগত বছরে বৈদেশিক রেমিট্যান্সের প্রবাহ কমেছে। ২০১৮ অর্থবছরে পূর্ববর্তী বছরের একই সময়ের তুলনায় ১৪.৭৯ শতাংশ রেমিট্যান্স বেড়েছে। আলোচ্য সময়ে তেলের দাম হ্রাস, ইউরো ও পাউন্ডের মূল্যের অবনয়ন ও হুন্ডি প্রবণতা রেমিট্যান্স প্রবাহে বিরূপ প্রভাব পড়েছে। 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, বিচার বিবেচনায় ন্যায়পরায়ণ, মননে ভবিষ্যমুখী, দৃষ্টিভঙ্গিতে নিরপেক্ষ। আমাদের দূরদর্শী পরিকল্পনা সমূহ, কর্পোরেট সুশাসন, আধুনিক ব্যবস্থাপনা, উন্নততর প্রযুক্তির ব্যবহার, অধিকতর মুনাফা অর্জন এবং সুদৃঢ় 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। স্ট্যান্ডার্ড 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 ৬০০ কোটি টাকার সাবঅর্ডিনেট বন্ড ইস্যু করা হয়েছে। ইতিমধ্যে আরো ৫০০ কোটি টাকার সাবঅর্ডিনেটেড বন্ড ইস্যু প্রক্রিয়াধীন। যার ফলে ব্যাংকটি একটি শক্তিশালী মূলধন ভিত্তির উপর দাঁড়াবে, বর্তমানে ব্যাংকের মূলধন পর্যাপ্ততার হার ১০.১০%।

দেশের পুঁজিবাজারকে আরো শক্তিশালী ও গতিশীল করার নিমিত্তে আমরা -এসবিএল ক্যাপিটাল ম্যানেজমেন্ট- এর মাধ্যমে ১৫০ কোটি টাকা বিনিয়োগ করা হয়েছে এবং ক্ষুদ্র বিনিয়োগকারীদের অর্থ সরবরাহ বাড়ানোর লক্ষ্যে স্ট্যান্ডার্ড ব্যাংক সিকিউরিটিজ লিঃ এর মাধ্যমে প্রায় ৮০ কোটি টাকা বিনিয়োগ করেছে। দেশের জনগণের ধর্মীয় অনুভূতির বিষয়টি বিবেচনায় নিয়ে ঢাকা ও চট্টগ্রামের দুটি শাখায় পৃথক ইসলামি ব্যাংকিং উইন্ডোর মাধ্যমে এবং সারাদেশে বিদ্যমান ১৩৪টি শাখার সাহায্যে ব্যাংকিং সেবা প্রদান করা হচ্ছে এবং উক্ত সেবা আরো সম্প্রসারণ করার জন্য আমরা প্রচেষ্টা চালিয়ে যাচ্ছি। অনাবাসী বাংলাদেশিদের কষ্টার্জিত বৈদেশিক মুদ্রা দ্রুত দেশে আনয়নের লক্ষ্যে আন্তর্জাতিক খ্যাতি সম্পন্ন প্রতিষ্ঠান মানি গ্রাম সহ বিভিন্ন এক্সচেঞ্জ হাউজের সাথে

চুক্তি সম্পাদন করা হয়েছে। যুক্তরাজ্যের লন্ডনে স্ট্যান্ডার্ড এক্সচেঞ্জ (ইউকে) লিমিটেড এর পাশাপাশি বিদেশে অবস্থানরত বাংলাদেশি ভাইবোনদের দেশের প্রতি যে মমত্ববোধ ও দেশপ্রেম লক্ষ্য করেছে, তাতে আমরা অনুপ্রাণিত হয়ে ২০১৩ সনে আমরা ব্যাংকের শত ভাগ মালিকানায় যুক্তরাজ্যের নিউইয়র্কের জ্যাকসন হাইটসএ স্ট্যান্ডার্ড কোম্পানি ইউএসএ ইনকর্পোরেশন “স্ট্যান্ডার্ড এক্সপ্রেস” খোলার পর নিউইয়র্কের জ্যামাইকা, ওজোন-পার্ক, ব্রুকলিন, ব্রুকস, লস এঞ্জেলস ও বাফেলো-এ মোট ৭ টি শাখা খুলেছি। পর্যায়ক্রমে বাঙ্গালী অধ্যুষিত বিশ্বের অন্যান্য স্থানে যেমন- স্পেন, দক্ষিণ কোরিয়া, মধ্যপ্রাচ্য, কানাডা, ইতালি, মালয়েশিয়া ও সিঙ্গাপুরে আরো এক্সচেঞ্জ হাউজ খোলা হবে। বিদেশগামী ও প্রত্যাগতদের সেবা সম্প্রসারণের লক্ষ্যে হজরত শাহজালাল(র) আন্তর্জাতিক বিমান বন্দর, ঢাকাতে ‘ফরেন কারেন্সি এক্সচেঞ্জ’ বুথ খোলা হয়েছে। বিগত বছরে ফরেন রেমিট্যান্স খাতে আমরা উল্লেখযোগ্য পরিমাণে ব্যবসা আহরণে সমর্থ হয়েছে। পাশাপাশি বাল্যকাল থেকে সঞ্চয়ের অভ্যাস গড়ে তোলার লক্ষ্যে ছাত্র/ছাত্রীদের স্কুল ব্যাংকিং, শিক্ষা স্কিম কার্যক্রম পরিচালনার লক্ষ্যে আমাদের সকল শাখায় স্কুল ব্যাংকিং কার্যক্রম চালু করেছে এবং শ্রমজীবী ও সাধারণ মানুষের কল্যাণে ওয়ার্কাস সেভিংস স্কিম এর মতো জনকল্যাণমুখী ব্যাংকিং কার্যক্রম প্রক্রিয়াধীন এবং শীঘ্রই তা প্রবর্তন করা হবে। জনসেবার বিষয়ে অগ্রাধিকার দিয়ে বিভিন্ন সংস্থার আবাসিক/ বাণিজ্যিক/ শিল্প খাতের বিভিন্ন ইউটিলিটি বিলসমূহ সংগ্রহ করে আসছি। ধর্মীয় মূল্যবোধের প্রতি শ্রদ্ধা প্রদর্শন করে সরকারী ও বেসরকারি সম্মানিত হজ্জ গমনেচ্ছুদের হজ্জের 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 মাঝারি খাতে বিনিয়োগের পরিমাণ বৃদ্ধি করা হয়েছে। দেশের কৃষি, কৃষক তথা আপামর দরিদ্র জনসাধারণের জীবন মান উন্নয়নের লক্ষ্যে কৃষি খাতে বিনিয়োগের পরিমাণ বৃদ্ধি করা হয়েছে। এবছর কৃষি ও কৃষিভিত্তিক শিল্পখাতে ঋণ বিতরণের পরিমাণ দাঁড়িয়েছে ৩৯৩.২৬ কোটি টাকা। বিগত ২০১৮ সনে এসএমই খাতে ১৬২৪.৮৫ কোটি টাকা ঋণ বিতরণ করা হয়েছে যার পরিমাণ ২০১৭ সালে ছিল ১৩৮৭.৯৭ কোটি টাকা।

ক্ষুদ্র ও মাঝারি উদ্যোক্তারা অর্থনীতির প্রাণশক্তি। তাদেরকে অর্থনীতির মূলশোতে 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 উন্নয়নের জন্য এসএমই ও কৃষি খাতের উন্নয়ন অনস্বীকার্য। তাই আমাদের প্রতিটি শাখাকে এসএমই ও কৃষিখাতে অর্থায়নের জন্য লক্ষ্যমাত্রা নির্ধারণ করে দিয়েছি, যাতে করে উক্ত খাতে আমরা আরো উল্লেখযোগ্য 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 মূল চালিকা শক্তি হচ্ছে বৈদেশিক মুদ্রা। তাই আমাদের দেশের বৈদেশিক মুদ্রা ভান্ডার সমৃদ্ধশালী করার লক্ষ্যে রেমিট্যান্স আনয়নের পাশাপাশি আমদানি/রপ্তানি-খাতকে অগ্রাধিকার দিয়েছি এবং ট্র্যাডিশনাল আইটেম যেমন; তৈরি পোশাক, চামড়া, চা, কাঁচা পাট ও পাটজাত দ্রব্য এবং নন-ট্র্যাডিশনাল আইটেম যেমন: টাইলস, বাইসাইকেল, চিংড়ি, হস্তশিল্প, 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 স্বীকৃতিস্বরূপ গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের জাতীয় রাজস্ব বোর্ড আভ্যন্তরীণ সম্পদ বিভাগ অর্থ-মন্ত্রণালয় “জাতীয় ট্যাক্স কার্ড নীতিমালা, ২০১০” অনুযায়ী ২০১৩-২০১৪ কর-বর্ষে কোম্পানি পর্যায়ে ৮ম সর্বোচ্চ আয় করদাতা হিসেবে স্ট্যান্ডার্ড ব্যাংক লিমিটেড কে ট্যাক্স কার্ড সম্মাননা 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 বিভিন্ন স্থানে ব্যবহার করা যায়। সেজন্যে অন্যান্য ব্যাংক ও সংস্থার সঙ্গে চুক্তির মাধ্যমে আমরা একটি শক্তিশালী নেটওয়ার্ক গড়ে তুলেছি এবং আমাদের কার্ড হোল্ডারগণ যাতে নিরলস সেবা পেতে পারেন সে লক্ষ্যে আমরা অত্যাধুনিক যন্ত্রপাতি দিয়ে কার্ড ও আইটি বিভাগ-দ্বয়কে স্বয়ংক্রিয় করেছি। আমরা ইতোমধ্যে গ্রামে ও শহরে যৌথভাবে এটিএম বুথ খুলে ডিজিটাল বাংলাদেশের অগ্রযাত্রা শুরু করেছি। পর্যায়ক্রমে এটিএম এর সুবিধা আমরা সর্বস্তরের গ্রাহকের কাছে সহজলভ্য করতে চাই। সারাদেশে আমাদের ১০৩টি এটিএম বুথ খোলা হয়েছে এবং চলতি বছরে আমরা আরও ৫০ টি এটিএমবুথ খোলার পরিকল্পনা নিয়ে কার্যক্রম পরিচালনা করছি। আপনারা জেনে খুশি হবেন গত ২০১৫ সালে স্ট্যান্ডার্ড ব্যাংক ন্যাশনাল পেমেন্ট সুইচ সিস্টেমের সাথে যুক্ত হয়েছে, যার ফলে বিভিন্ন ব্যাংকের ক্যাশ নেটওয়ার্কের আওতায় আমাদের সম্মানিত গ্রাহকরা প্রায় ৯,৫০০টির বেশি এটিএম বুথ ব্যবহারের সুযোগ পাবেন। ন্যাশনাল পেমেন্ট সুইচ সিস্টেমের আওতায় গ্রাহকগণ ডেবিট কার্ডের মাধ্যমে ২৮,০০০টি মার্চেন্ট আউটলেট-এ কেনাকাটা করতে পারবে। এছাড়া আমরা গ্রাহকদের সুবিধার্থে ই-কমার্স চালু

বিশ্বব্যাপী আর্থিক মন্দা এবং প্রতিযোগিতামূলক ব্যাংকিং পরিবেশের প্রেক্ষাপটে ২০১৮ সালে আমাদের ব্যাংক আমানত, ঋণ ও প্রদানের ক্ষেত্রে যে সফলতা অর্জন করেছে তা অত্যন্ত প্রশংসনীয়। গতিশীল বিনিয়োগ ব্যাংকের সফলতা উচ্চ শিখরে নিয়ে যায়। ব্যাংকের এ সাফল্য জাতীয় অর্থনীতিতে গুরুত্বপূর্ণ ভূমিকা রাখবে। ২০১৭ ও ২০১৮ সালে অর্জিত ব্যবসার তুলনামূলক পরিসংখ্যান নিম্নরূপ:

করার উদ্যোগ নিয়েছি।

ব্যাংকিং খাতে প্রযুক্তিকে ব্যবহারের অন্যতম হলো এস.এম.এস ব্যাংকিং বা অ্যুলার্ট 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। পরবর্তীতে বিভিন্ন রকম হিসাবের তথ্য যেমন: মিনি স্টেটমেন্ট, লাস্ট ব্যালান্স, এফডিআর ম্যাচুরিটি, ইনস্টলমেন্ট ডিউ ইত্যাদি সুবিধা এসএমএস ব্যাংকিং সেবার আওতায় আনা হবে। মূলত গ্রামীণ জনপদে বসবাস-কারী 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 এখনও পৌঁছায়নি ওই সব এলাকায় ছড়িয়ে, ছিটিয়ে থাকা দরিদ্র মানুষকে সীমিত আকারে ব্যাংকিং সেবা প্রদানের লক্ষ্য নিয়ে এজেন্টের মাধ্যমে সাক্ষরী 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 মহল্লায় 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 কিস্তি আদায়, বিদ্যুৎ ও অন্যান্য ইউটিলিটি বিল পরিশোধ করতে পারবেন।

বৈদেশিক ব্যবসা বাণিজ্য পরিচালনার লক্ষ্যে বর্তমানে ১৯টি অথ রাইজ ডিলার (এডি) শাখার কার্যক্রম অব্যাহত আছে এবং দেশের অভ্যন্তর থেকে বিদেশি গ্রাহকদের দোর গোঁড়ায় ব্যাংকিং সুবিধা পৌঁছে দিতে অফ-শোর ব্যাংকিং ইউনিট চালু করা হয়েছে।

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

	২০১৮	২০১৭
ব্যাংকের আমানত	১৫,৪৯৬ কোটি টাকা	১৩,৪৭৩ কোটি টাকা
ঋণ ও অগ্রিম	১৪,৬০৬ কোটি টাকা	১২,৮২৩ কোটি টাকা
বৈদেশিক বাণিজ্য	১১,৮৩৯ কোটি টাকা	১১,০৩১ কোটি টাকা
ব্যাংকের পরিচালন মুনামাফা	৩৯৯ কোটি টাকা	৩৩২ কোটি টাকা
প্রতি শেয়ারে আয়	১.৪৪ টাকা	১.২৯ টাকা
পরিশোধিত মূলধন	৮৭০.৯৮ কোটি টাকা	৭৯১.৮১ কোটি টাকা

আপনারা জেনে আরো খুশি হবেন, আমাদের দীর্ঘদিনের লালিত স্বপ্ন ব্যাংকের একটি নিজস্ব আধুনিক কর্পোরেট অফিস গড়ে তোলা। তারই প্রেক্ষিতে আমরা রাজধানীর অভিজাত এলাকা গুলশানে প্রায় এক বিঘা জায়গা ক্রয় করেছি। নিজস্ব ভবন নির্মাণের যাবতীয় প্রাথমিক প্রস্তুতিমূলক কাজগুলো সম্পন্ন হয়েছে। ইনশাআল্লাহ, খুব অল্প সময়ের মধ্যেই আধুনিক স্থাপনার নান্দনিক নির্মাণশৈলীর কর্পোরেট অফিস নির্মাণ কাজ সম্পন্ন হবে। ২০১৮ সালে আমরা ৫টি গ্রামীণ ও ৪টি শহর-ভিত্তিক মোট ৯টি শাখা খুলেছি। চলতি বছর আমরা আরো ৫ টি শাখা খোলার অনুমতি পেয়েছি। ইতোমধ্যে, স্থান নির্বাচন ও আনুষঙ্গিক কার্যক্রমের কাজ প্রায় সমাপ্ত। ব্যাংকের এই সম্প্রসারণ কার্যক্রমকে বাস্তবায়ন করার লক্ষ্যে আমরা অভিজ্ঞ কর্মকর্তা-কর্মচারী নিয়োগ দিয়ে মোট লোকবল ২,৩৮৬ জনে উন্নীত করেছি, যা দেশের বেকার সমস্যা সমাধানও অর্থনৈতিক উন্নয়নে ব্যাপক অবদান রাখতে সক্ষম হয়েছে এবং চলতি সনে এর সংখ্যা উল্লেখযোগ্য পরিমাণে বৃদ্ধি পাবে।

সম্মানিত শেয়ারহোল্ডারগণ,

আমাদের অঙ্গীকার এই ব্যাংকটিকে একটি আধুনিক প্রযুক্তিনির্ভর, আদর্শ, প্রগতিশীল ও আন্তর্জাতিক মানের ব্যাংক হিসেবে গড়ে তোলা। দেশের স্বনামধন্য ও 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 থেকে তার ব্যাংকিং লেনদেন নির্বিঘ্নে সম্পন্ন করতে পারছে। গ্রাহকদের ব্যাংকিং কার্যক্রম নিরবিচ্ছিন্ন করার লক্ষ্যে নিজস্ব পাওয়ার সাপ্লাই সুবিধা সম্পন্ন আধুনিক ‘ডাটা সেন্টার’ স্থাপন করা হয়েছে, যা অধিক ক্ষমতা সম্পন্ন। যে কোন ধরনের দুর্ঘটনা মোকাবিলা করে নিরবিচ্ছিন্নভাবে 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 দুর্ঘটনায় 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 অনেকেই হ্রাস পেয়েছে। 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 চিহ্নিতকরণ 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 ভুলত্রুটি, ত্রুটি 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 উন্নত দক্ষতা, জ্ঞান ও উৎপাদনশীলতা, এ কথা মনে রেখে নতুন প্রশিক্ষণ পরিকল্পনা গ্রহণ করা হয়েছে এবং সময়ের চাহিদার সাথে সংগতি রেখে বিভিন্ন ধরনের প্রশিক্ষণ কর্মসূচী গ্রহণ করা হয়েছে। এ ধরনের কর্মসূচীর মাধ্যমে ব্যাংক কর্মকর্তাদেরকে উন্নত ও দক্ষ গ্রাহক-সেবা প্রদানের সক্ষমতা তৈরি করেছে। ২০০৫ সালে প্রতিষ্ঠিত স্ট্যাভার্ড ব্যাংক ট্রেনিং ইনস্টিটিউট ধীরে ধীরে পূর্ণাঙ্গ অবয়বে রূপ লাভ করেছে। ব্যাংকিং জ্ঞান, গুণাবলী ও দক্ষতার উৎকর্ষ সাধনে এই ইনস্টিটিউট বিভিন্ন রকম কোর্স পরিচালনা করছে; যেমন ব্যাংকিং ফাউন্ডেশন কোর্স ফর প্রবেশনকারী অফিসার, নব নিযুক্ত অ্যাসিস্ট্যান্ট অফিসারদের জন্য ইনডাকশন কোর্স অন ব্যাংকিং, সময়ের চাহিদার সাথে সাথে প্রয়োজন সাপেক্ষে কর্মকর্তাদের জন্য যুগপোয়গী অন্যান্য কোর্স / কর্মশালা। এইরূপ ৪০টি কোর্স/কর্মশালা ২০১৮ সালে পরিচালনা করা হয়েছে, যাতে ১,০৭৩ জন প্রশিক্ষণার্থী অংশ নিয়েছেন।

সম্মানিত শেয়ারহোল্ডারগণ,

আপনারা নিশ্চয় অবগত আছেন যে, যদিও ২০১৮ এর বছর জুড়ে সামগ্রিক অর্থনীতি স্থিতিশীল ছিল, ঋণ আমানত এর সুদের স্প্রেড কমে যায় এবং যার ফলশ্রুতিতে মুনামাফা দ্রুত হ্রাস পায়।

আপনারা জেনে খুশি হবেন যে, আপনাদের ব্যাংক এই প্রতিকূল পরিস্থিতি বেশ সফলভাবে মোকাবিলা করেছে। ব্যাংক সর্বদা সম্মানিত শেয়ারহোল্ডারদের সাথে অর্জিত সাফল্য ভাগাভাগি করার উপর গুরুত্ব আরোপ করে আসছে। আপনারা ইতোমধ্যে অবহিত হয়েছেন যে, আমাদের ২০১৮ সালের নীট মুনাফার পরিমাণ ১২৫.৫৫ কোটি টাকা। আমি আনন্দের সাথে জানাচ্ছি যে, ব্যাংকের পরিচালনা পর্ষদ বাস্তব অবস্থা পর্যালোচনা পূর্বক ২০১৮ সালের জন্য ১০% হারে স্টক ডিভিডেন্ড প্রদানের সুপারিশ করেছে, যা আপনাদের অনুমোদনের জন্য বার্ষিক সাধারণ সভায় আলোচ্যসূচীতে অন্তর্ভুক্ত করা হয়েছে।

খ্রিয় শেয়ারহোল্ডারগণ,

বিদ্যমান অর্থনীতির বিরূপ পরিস্থিতিতে গত বছরের 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, শ্রেণীবিন্যাসকৃত ঋণের উর্ধ্বগতি নিয়ন্ত্রণে রাখার প্রচেষ্টা অব্যাহত রয়েছে। পর্ষদের সম্মানিত পরিচালকবৃন্দের প্রজ্ঞা, ব্যবস্থাপনা কর্তৃপক্ষের বিচক্ষণতা ও ব্যবস্থাপকবৃন্দের বিশ্লেষণাত্মক কার্যক্রমের জন্য আমি সবাইকে জানাই আন্তরিক ধন্যবাদ।

সম্মানিত শেয়ারহোল্ডারগণ,


কর্পোরেট হাউজ হিসেবে সকল কর্মকাণ্ডে আমরা প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতার প্রতি প্রতিশ্রুতিবদ্ধ। ব্যাংক কেবল 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, শীতাত্তদের মাঝে শীত বস্ত্র বিতরণ, অবহেলিত ও সুবিধা বঞ্চিত মানুষদের নিরবিচ্ছিন্ন 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 উন্নয়ন ও জনকল্যাণমূলক কাজে সরাসরি সম্পৃক্ত হতে পারে তার জন্য কল্যাণ মূলক কাজ সিএসআর কার্যক্রমের আওতায় ২০১৮ সালে প্রায় ১১.৪৮ কোটি টাকা প্রদান করেছে।

কৃতজ্ঞতা জ্ঞাপন,

স্ট্যান্ডার্ড ব্যাংকের পক্ষ থেকে আমি আমাদের সম্মানিত গ্রাহক, গৃহপোষক ও শুভানুধ্যায়ীদের প্রতি জানাই আন্তরিক কৃতজ্ঞতা, যাদের আস্থা ই সর্বদা আমার শক্তি ও প্রেরণার উৎস। ব্যাংকের ধারাবাহিক অগ্রগতির এই অভিযাত্রার নেপথ্যে সময়োচিত নীতি, দূরদর্শী দিক নির্দেশনা, বিচক্ষণ নেতৃত্ব এবং অক্লান্ত পরিশ্রমের মাধ্যমে প্রশংসনীয় অবদান রাখার জন্য এবং পর্ষদ চেয়ারম্যান হিসেবে দায়িত্ব পালনে আমাকে সহযোগিতা, পরামর্শ ও সর্বাঙ্গিক সমর্থন প্রদানের জন্য পরিচালনা পর্ষদের সহকর্মীবৃন্দকে কৃতজ্ঞতা ও ধন্যবাদ জানাই। ব্যাংকের সার্বিক অগ্রগতি, উন্নয়ন ও সফলতা অর্জনে স্ট্যান্ডার্ড ব্যাংক পরিবারের প্রত্যেক সদস্যকে তাদের নিরলস পরিশ্রম ও সেবা প্রদানের জন্য জানাচ্ছি কৃতজ্ঞতা ও আন্তরিক ধন্যবাদ। ব্যাংকের পরিচালনা পর্ষদের ও সর্বস্তরের কর্মকর্তা-কর্মচারীদের এবং আমার নিজের পক্ষ থেকে উপস্থিত সকল সম্মানিত শেয়ার হোল্ডারবৃন্দকে তাদের সহযোগিতার জন্য আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমাদের ব্যাংকের মূল চালিকা শক্তি ব্যাংকের সম্মানিত গ্রাহকবৃন্দ ও শেয়ার হোল্ডারগণ। অত্র ব্যাংকের উদ্যোক্তা শেয়ার বা অন্য কোন শেয়ার গ্রুপের বিভাজন নেই। সুষ্ঠু ব্যাংকিং কর্মকাণ্ড পরিচালনায় সার্বিক সহযোগিতা ও অব্যাহত অনু সমর্থন প্রদানের জন্য কৃতজ্ঞতা জ্ঞাপন করছি গণ-প্রজাতন্ত্রী বাংলাদেশ সরকারের অর্থ মন্ত্রণালয়, ব্যাংক ও আর্থিক প্রতিষ্ঠান বিভাগ, বাংলাদেশ ব্যাংক, বিএসইসি, ডিএসই, সিএসই, জয়েন্ট স্টক কোম্পানি সমূহের রেজিস্টার, সিভিবিএল এবং অন্যান্য সকল নিয়ন্ত্রক কর্তৃপক্ষের প্রতি, যারা এগিয়ে চলার পথে আমাদের সক্রিয় সমর্থন জুগিয়েছেন। আমাদের প্রত্যাশা এসব প্রতিষ্ঠানসমূহ তাদের সহযোগিতা ও সমর্থন ভবিষ্যতেও অব্যাহত রাখবেন। এই মুহূর্তে আরো একটি সফল বছরের প্রত্যাশায় যাত্রা শুরু করছি। সর্বশক্তিমান আল্লাহ-তায়াল্লা আমাদের এই যাত্রায় সহায় হোন- এ শুভ কামনায় সকলকে ধন্যবাদ।

আল্লাহ হাফেজ



কাজী আকরাম উদ্দিন আহমদ
চেয়ারম্যান- পরিচালনা পর্ষদ

MANAGING DIRECTOR & CEO'S ROUND UP



Dear Stakeholders

It does give me immense pleasure and privilege to welcome our Honorable Chairman, Directors, Respected Shareholders, Distinguished Guests from the media and invited Participants on this august occasion of the 20th Annual General Meeting of Standard Bank Limited (SBL). I am truly delighted and feel proud to be able to present the performance report of our Bank before you for the third consecutive year as the Managing Director. You are all fully aware that the outgoing year 2018 has been fraught with many unanticipated challenges, which our Bank has been able to tide over with flying colors on the strength of collaborative efforts of the entire Standard Bank family including the Hon'ble Board of Directors, who continued to exert their unflinching efforts against all possible odds in

order to further consolidate the Bank's position stronger than ever before. Our endless hard work under the prudent guidance of our visionary Board of Directors finally paid off enabling us to pass the year 2018 as yet another year of prosperity and progress. Thus, at this auspicious moment, I enthusiastically take the opportunity to express my heartfelt gratitude and sincere thanks to our respected shareholders, customers and well-wishers for their continued support and cooperation throughout the year which has always been a great source of inspiration that helped us to achieve the steady growth and greater height of prosperity. Also, we express our cordial thanks to Bangladesh Bank and BSEC for their continuous support, co-operation and advice in our progress.

Standard Bank Limited 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 live up to the trust and confidence of all of you. Ever since Standard Bank Limited was established, our goal is to contribute to the national economy and at the same time maximize the shareholders' wealth. We have also tried to be a compliant bank and it was our continuous endeavor to follow all the best practices of the industry while doing business with our valued customers, vendors and stakeholders. Standard Bank Limited is always trying to create a 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 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 2018. 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. Standard Bank Limited (SBL) as a trusted partner in progress is financing trade, commerce and industry and also playing an active role in various socioeconomic development. From the financial point of view, participating in social development activities may not be seen as commercially profitable or income generating, but from the development point of view, its impact on the country's overall development is immeasurable.

The activities of the Bank centered around achieving the targets of selected indicators. For this, we invested the excess liquidity into high profit-yielding sectors and put more emphasis on Retail and SME finance for increasing high-value assets. Besides, as a part of asset diversification, steps have been taken to increase credit flow to low-risk corporate sectors. On the other hand,

interest-free and low-interest deposit collection has been prioritized aimed at rationalizing the cost of fund. Specially, steps have been taken to increase security measures of Treasury Department and strengthen it in a bid to make fund management more effective. Our other objective of financial inclusion is to build-up a Banking nation by providing low-cost banking services to the unbanked, backward and limited income people. SBL is providing this service for a long time by practicing mass banking. Bangladesh Bank's encouragement and enthusiasm has added different dimensions for expanding of financial inclusive banking. Marginal farmers, cleaners, street children, social safety beneficiaries, businessman, service holders and students have opened 5,15,787 deposit accounts with SBL which was 4,51,441 in 2017. Besides, personal saving opportunity, account holders are enjoying multiple banking facilities.

GLOBAL OUTLOOK AND OUR ECONOMY

Activity in advanced economies is expected to slow, as capacity constraints become more binding and policy accommodation is withdrawn. In emerging market and developing economies (EMDEs), the recovery has lost momentum, with some large economies experiencing financial stress, and is projected to be weaker than previously anticipated. In all, global growth is expected to moderate from 3 percent in 2018 to 2.9 percent in 2019, and to level off at 2.8 percent in 2020-21.

Recent financial market stress in some EMDEs highlights the need to bolster the capacity to cope with tighter external financing conditions and sustain strong growth. Fragile fiscal positions underscore the urgency to improve domestic revenue mobilization and to commit or deepen fiscal reforms aimed at improving the efficiency of expenditures. Central banks' commitment to price stability may be tested by sharp depreciations, which warrants shoring up central bank credibility proactively. In the long term, steps to enhance human capital, encourage regional economic integration, and lower barriers to investment for small-and medium-sized enterprises would boost productivity and potential growth. Policies that help improve outcomes in these areas would also help address the challenges associated with informality,

thus reinforcing the basis for future productivity growth.

The Bangladesh economy has been able to maintain sustained economic growth. The economy grew at a rate of 7.86 percent in FY2017-18, satisfactorily up from 7.28 percent growth in FY2016-17. The per capita national income reached US\$1,751 in FY2017-18, up by US\$141 a year earlier. Continuing the declining trend since FY2013-14 year-on-year inflation in FY2017-18 slid down to 5.78 percent. With a growth rate of 14.78 percent revenue receipt in FY2017-18 also remained at satisfactory level. Exports registered an increase of 5.81 percent and import increased by 25.23 percent in FY2017-18. Remittances inflow rebounded by 17.33 percent. Due to deficits in the current account, the surplus in capital and financial account left the overall balance of the Balance of Payment (BoP) account in deficits. Despite deficit in BoP, foreign exchange reserve still remained steady. At the end of 30 June 2018, foreign exchange reserve stood at US\$32,916 million which is sufficient for maintaining 6 month import payment. During the period, exchange rate broadly remained stable. Private sector credit grew at 16.95 percent. The GDP under the Medium-Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 7.8 percent in FY2018-19 which is expected to be achieved through the implementation of prudent fiscal management, effective application of cautious monetary policy, appropriate management of expenditure, and sound implementation of the reform activities.

INDUSTRY OUTLOOK AND OUR BUSINESS POSITION

The Banking sector of Bangladesh has faced numerous challenges mostly home grown during the financial year 2018. Too many banks chasing too few eligible borrowers resulting in highly competitive interest rates and rising Nonperforming loan (NPL) have been the major challenges facing the industry. Banking sector indicators reflected a mixed performance in terms of asset growth, profitability and asset quality in 2018. During July-September 2018, banking sector's indicators showed some mixed performance, as reflected in the non-performing loan (NPL), capital adequacy, provision shortfall position and liquidity conditions. During the said period, overall NPL edged up, driven mainly by the performance in the SCBs. Despite the level of stressed asset during July-September 2018, liquidity conditions of the banking system remained stable, as credit growth recalibrated in line with deposit growth. The balance sheet size of the banking sector reached at Tk.14,072.2 billion at the end of September 2018, recording an increase of 11.6% from the end of September 2017. Gross NPL for PCBs increased to 6.7% at the end of September 2018 from 6.0% at the end of June 2018 and gross NPL for SCBs widened further from June 2018 to 31.2% at the end of September 2018. However, industry NPL ratio reached at 11.4% at the end of September 2018 which is 100 basis points higher than

that of 30 June 2018 (10.4%). Banking sector capital to risk-weighted assets ratio (CRAR) slightly decreased on 30 September 2018 with respect to that of 30 June 2018. As on 30 September 2018, 48 out of 57 banks maintained CRARs of 10.0% or higher in line with Pillar 1 of the Basel III capital framework. PCBs remained well-capitalized with CRAR around 12.23% as on 30 September 2018 whereas capital position of SCBs has fallen from 6.93% as on 30 June 2018 to 6.06% as on 30 September 2018. The banking sector aggregate CRAR stood at 10.89% as on 30 September 2018 which was 4 basis points lower than the ratio recorded at the end of June 2018 and 20 basis points higher than the ratio recorded at the end of September 2017. The banking sector, as a whole, was able to maintain the required level of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as on 30 September 2018. Advance to Deposit Ratio (ADR) of the overall banking industry was 76.4% as on 30 September 2018 which was 76.7% as 30 June 2018, remaining below the maximum regulatory ceiling. As on 30 September 2018, banking industry fulfilled the minimum leverage ratio requirement of 3.0%, on both solo and consolidated basis. At the end of September 2018, 49 out of 57 banks have maintained a leverage ratio of 3.0 percent or higher on solo basis and 32 out of 36 banks have been able to fulfill the regulatory requirement on consolidated basis. 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 from 0.4% at the end of September 2017 to 0.3% at the end of September 2018 whereas RoE decreased from 5.9% at the end of September 2017 to 4.3% at the end of September 2018.

At the backdrop, we have progressed cautiously and managed our risk profiles carefully. 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 at 7.90%, which is lower than average NPL in Banking Sector, mainly by virtue of our management policy, rigorous monitoring in our credit management and ethical business practice with strong corporate governance.

At Standard Bank Limited, we believe in sustainable growth instead of rapid progression. In the year 2018, we focused on maintaining our asset quality rather than the rapid growth of our portfolio. Our Deposits of banking operation stood at Tk.15,496.07 crore having 15% growth from 2017 position. Import of the Bank was Tk.7,446.43 crore. Export was Tk.5,188.43 crore and inward remittance was Tk.1,130.32 crore having 20.79% growth. In terms of budgetary achievement, Bank performed quite well even in the difficult time as mentioned above. By setting proper strategy, we could achieve positive Profit after Tax (PAT) growth of 1.38% although our cost of deposit went up from 5.71% in 2017 to 6.49% in 2018.

CONTRIBUTION TOWARDS THE SOCIETY

As a responsible corporate citizen, we are committed to creating value for the society. We believe that development should be holistic and inclusive. Standard Bank Limited is always aware of its Corporate Social Responsibility (CSR) with an aim to ensure that the bank remains as a socially responsible corporate entity contributing towards quality of life of the society at large without compromising ecological balance. Since its inception, Standard Bank has a pleasant involvement and proactive participation in benevolent activities like standing beside the marooned people during any natural or man-made disasters. To us, success not only equals economic profit, it also means commitment to values - honesty, integrity, excellence, trust and dedication. At Standard Bank, we are guided by the spirit of corporate social responsibility. To have 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, we focused on CSR by getting involved in different nation building activities apart from usual banking operations. During the year, Standard Bank spent an amount of Tk.11.48 crore 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 2018 was undoubtedly a challenging year for Bangladesh economy and 2019 will, no doubt offer its share of new challenges even with our excellent track record of over twenty 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 and 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 of our bank to make change happen. The faster we manage to respond to this change environment, the more room we have to maneuver. I am convinced that together with the support of our colleagues and other stakeholders, we will take the lead and become a fast 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 deposits and lending rates and turbulent financial markets. We must find new and smart ways to convey a compelling value proposition to our customers. 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, the better positioned we will be to continue in our growth and future prospects. I believe our combined effort will make 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 through performing the promises.

STRATEGIC PRIORITIES FOR 2019

Bangladesh Bank's (BB) second half yearly (H2, FY 2019) monetary policy stance has been formulated to accommodate GDP growth target of 7.8% and to fix a monetary growth path aiming at average inflation rate within 5.6%. This would require a monetary program that limits broad money, domestic credit and private sector credit growth ceilings at 12.0%, 15.9% and 16.5% respectively by June 2019. Balancing inflation and output risks, given the near-term domestic and global inflation and growth outlook and the associated risks, repo and reverse repo rates will be maintained at current levels of 6% and 4.75% respectively. 2019 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 all tier of management in decision-making process will surely command key strengths for Standard Bank. We believe that, as long as we adhere to the right strategy, take proactive actions and forge ahead, 2019 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:

1. As banking industry is predicted to remain highly competitive with low interest margins, fee-based income and non-funded incomes shall be a strategic priority in 2019.
2. Increasing of deposit focusing on financial inclusion in the unbanked areas.
3. Concerted efforts and aggressive marketing to procure more low-cost deposits with a view to reducing cost of deposits and improving Net Interest Margin (NIM) of the Bank.
4. Prudent Asset Liability Management by maintaining good credit portfolio through diversification of business with focus on SME, Retail credit and Import-Export business.

5. Maintaining asset quality by restricting increase of non-performing assets through early detection, monitoring, corrective actions.
6. Strengthening the recovery against rescheduled, classified and written-off loans for reducing NPLs to a large extent through intensive recovery drive and early settlement of court cases.
7. All out efforts to reduce and manage Provision requirement.
8. Effective Risk Management Practices through appropriately blending the risk reward parameters and targeting a growth driven credit portfolio expediting credit rating and maintain-ing strong capital base to play safe and sound as per based framework.
9. Efficient Internal Control and Regulatory Compliance System to continue to be a fully compliant Bank.
10. Strictly enforcing 'code of conduct' for all employees and elevating standard of service to new heights of excellence for all stakeholders.
11. Effective IT platform and System through up-gradation of bank modules and strengthening of IT infrastructure and cyber security.
12. Strengthening Agent Banking and banking booth operation to provide financial service for unbanked people.
13. Strengthening operational efficiency of subsidiaries and foreign business windows.

OUR GRATITUDE

I express warm greetings as well as 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 for their uncompromising loyalty, relentless hard work and dynamic team spirit to take the bank forward. 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.

Let there be good days ahead for all of us. We look forward to a brighter and rewarding two thousand nineteen, May the Almighty ALLAH bestow His blessing on all of us.



Mamun Ur Rashid
Managing Director & CEO

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.

In compliance with section 184 of Companies Act 1994 and BSEC Notification BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018, 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 421.8 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 10% stock dividend equivalent to BDT 870.9 million for the completed year 2018.

Any event after balance sheet date which may affect company's financial condition: The Board of Directors of the Bank in its 312th Board meeting held on 25.04.2019 has recommended 10% stock dividend for the year 2018 of Tk. 870,987,696 which will increase the paid-up capital of the bank to Tk. 958,086,466.

Any change in bank's activities, subsidiaries' activities etc.: No major change in strategy and actions in the Bank and Subsidiaries experienced in 2018.

In compliance with BSEC Corporate Governance Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018 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 2018.

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 2018.

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 and 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.

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 10% stock dividend for the year 2018.

No. of Board meetings and directors' attendance in 2018: Presented in the Directors' Report.

The pattern of shareholdings: Presented in the Directors' Report and the Notes to the Financial Statements 2018.

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 2018.

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. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018). 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 2018 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.

The background features a complex network of grey lines connecting various nodes. Several large, semi-transparent circles in different colors (red, orange, teal, green, white) are scattered across the network. Some of these circles contain icons: a globe, a house, a person, and a gear. The overall aesthetic is modern and digital.

DIRECTORS' REPORT

Drill
Down



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 2018 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 (Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018), 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

Global growth for 2018-19 is projected to remain steady at its 2017 level of 3.7 percent, but its pace is less vigorous than projected in April and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded. The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills. Beyond the next couple of years, as output gaps close and monetary policy settings begin to normalize, growth in most advanced economies is expected to decline to potential rates well below the averages reached before the global financial crisis of a decade ago. Medium-term prospects remain generally strong in emerging Asia but subpar in some emerging market and developing economies, especially for per capita growth, including in commodity exporters that continue to face substantial fiscal consolidation needs or are mired in war and conflict.

Among advanced economies, growth disappointed in the euro area and the United Kingdom. Slower export growth after a strong surge in the final quarter of 2017 contributed notably to the euro area slowdown. Higher energy prices helped dampen demand in energy importers, while some countries were also affected by political uncertainty or industrial actions. Aggregate growth in the emerging market and developing economy group stabilized in the

first half of 2018. Emerging Asia continued to register strong growth, supported by a domestic demand-led pickup in the Indian economy from a four-year-low pace of expansion in 2017, even as activity in China moderated in the second quarter in response to regulatory tightening of the property sector and nonbank financial intermediation.

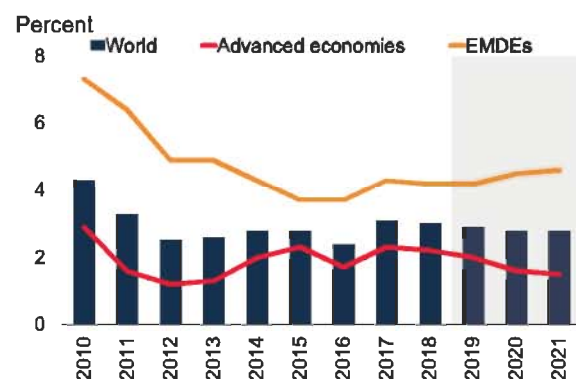


Chart: Global Growth
Source: Global Economic Prospects of January 2019 by World Bank Group

Global growth is moderating as the recovery in trade and manufacturing activity loses steam. Despite ongoing negotiations, trade tensions among major economies remain elevated. These tensions, combined with concerns about softening global growth prospects, have weighed on investor sentiment and contributed to declines in global equity prices. Borrowing costs for emerging market and developing economies (EMDEs) have increased, in part as major advanced-economy central banks continue

to withdraw policy accommodation in varying degrees. A strengthening U.S. dollar, heightened financial market volatility, and rising risk premiums have intensified capital outflow and currency pressures in some large EMDEs, with some vulnerable countries experiencing substantial financial stress. Energy prices have fluctuated markedly, mainly due to supply factors, with sharp falls toward the end of 2018. Other commodity prices—particularly metals—have also weakened, posing renewed headwinds for commodity exporters. Economic activity in advanced economies has been diverging of late. Growth in the United States has remained solid, bolstered by fiscal

a weaker outlook for some key emerging market and developing economies arising from country-specific factors. Among the advanced economies, US growth steadily increased during 2017 and 2018, driven by the strong fiscal stimulus and is anticipated to moderate in 2019, partly due to the protective trade measures against the backdrop of a maturing business cycle (World Economic Outlook, January 2019). Growth performance for 2018 and the outlook for 2019 in the Euro Area are also anticipated to decline in 2018 and 2019 due to the Brexit and the recently adopted trade measures by the US administration. Among the emerging and the developing economies, China and a number of Asian economies are also expected to experience somewhat a weaker growth in 2019. However, India's growth rate is expected to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019, with some support from the structural reforms. Among the oil exporting countries, particularly the Middle East, growth received boost from higher oil prices, though price increases have sharply reversed since November 2018 from higher production.

GLOBAL OUTLOOK

According to the latest IMF World Economic Outlook (January 2019), global growth has been revised down by 0.2 and 0.1 percentage points for 2019 and 2020 respectively (Table 1). The downward revision reflected continued trade tension, tighter global financial conditions, and higher commodity prices, as well as

Table 1: Overview of the World Economic Outlook

GDP at constant prices	Percentage Change				Difference from October 2018 WEO Projection	
	Actual	Estimate	Projection			
	2017	2018	2019	2020	2019	2020
World	3.8	3.7	3.5	3.6	-0.2	-0.1
Advanced Economies	2.4	2.3	2.0	1.7	-0.1	0.0
USA	2.2	2.9	2.5	1.8	0.0	0.0
Euro Area	2.4	1.8	1.6	1.7	-0.3	0.0
Other Advanced Economies	2.8	2.8	2.5	2.5	0.0	0.0
Emerging Market and Developing Economies	4.7	4.6	4.5	4.9	-0.2	0.0
China	6.9	6.6	6.2	6.2	0.0	0.0
India	6.7	7.3	7.5	7.7	0.1	0.0

Source: World Economic Outlook Update (January, 2019), International Monetary Fund.

The ongoing trade tension could have some positive spillover on the Bangladesh economy through higher demand for the Bangladeshi readymade garments. The pickup in the construction activities in the Middle East from the high oil prices till October 2018 is expected to support labor demand from Bangladesh. Global energy prices have sharply reversed during the last quarter of 2018. Since October 2018, crude oil prices declined by around 30 percent from their recent highs, reflecting both supply and demand factors. Although given the regulated domestic fuel prices in Bangladesh, oil price decline would have less immediate impact on inflation but it would have positive impact on the current account dynamics. Similarly, global food prices have declined during the second half of 2018 when food production in

Bangladesh has also picked up in the aftermath of the floods in 2017. Both global and domestic commodity prices therefore have favorably lessened the short- to medium-term inflation risks since the last monetary policy statement.

REGIONAL PERSPECTIVES

The rebound in EMDE activity has stalled. The cyclical upswing in regions with many commodity exporters has lost momentum, partly reflecting a substantial slowdown in some large economies, and is projected to plateau over the next couple of years. Growth in regions with large numbers of commodity importers was solid but has decelerated and is expected to stabilize around potential.

For all regions, risks to the outlook are increasingly tilted to the downside.

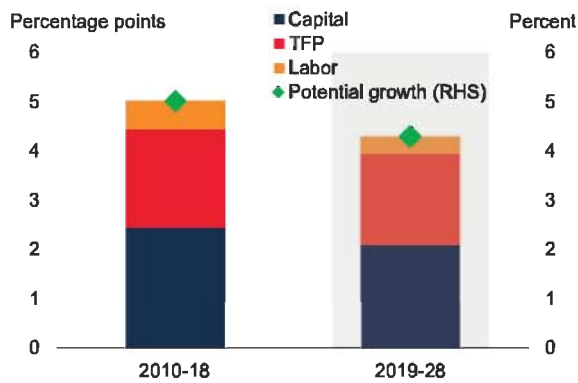


Chart: Drivers of potential long-term growth in EMDEs
Source: Global Economic Prospects of January 2019 by World Bank Group

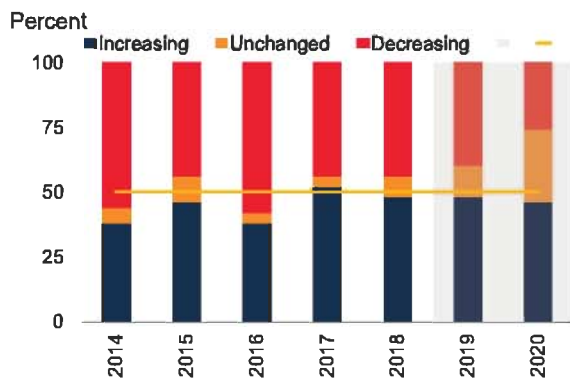


Chart: Number of EMDEs with increasing, unchanged, or decreasing growth

Source: Global Economic Prospects of January 2019 by World Bank Group

EMDE OUTLOOK

EMDE growth is expected to stall at 4.2 percent in 2019 — down 0.5 percentage point relative to previous projections. This reflects the lingering effects of recent financial market stress on several large economies, a lackluster and notably softer than envisioned cyclical recovery in commodity exporters, and a further deceleration in commodity importers. Growth across EMDEs in 2019 is expected to be close to the upper bound of estimates of its potential pace particularly among commodity importers, where slack has largely been exhausted. Growth in EMDEs is foreseen to increase to 4.5 percent in 2020, with a large part of this acceleration reflecting the projected dissipation of severe headwinds in a few large economies (e.g., Argentina, Iran, Turkey). In 2021, EMDE growth is expected to plateau at 4.6 percent as the recovery in commodity exporters matures.

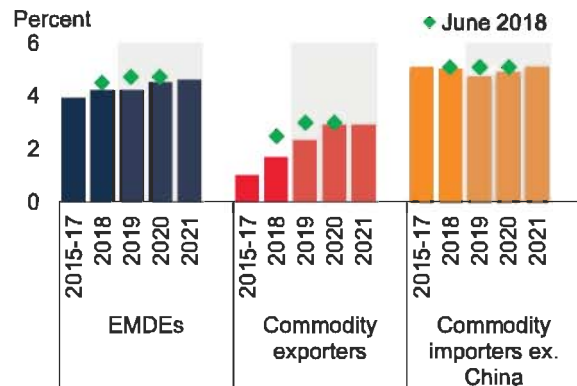


Chart: Growth in EMDEs
Source: Global Economic Prospects of January 2019 by World Bank Group

Throughout the forecast horizon, the international context is expected to be increasingly less favorable, in light of a projected slowdown in advanced-economy growth, weakening trade and investment, tighter financing conditions, and trade policy uncertainty. These factors will impede further acceleration in EMDE activity. Growth in commodity exporters is projected to pick up to 2.3 percent in 2019 sharply below previous expectations and plateau at 2.9 percent in both 2020 and 2021. Some large economies that experienced sizable contractions in activity in 2018 are expected to gradually recover over the forecast horizon (e.g., Angola, Argentina, Iran). The outlook for commodity exporters is uneven, however, partly owing to renewed market attention to country-specific vulnerabilities. Projections for about half of commodity exporters have been downgraded for 2019.

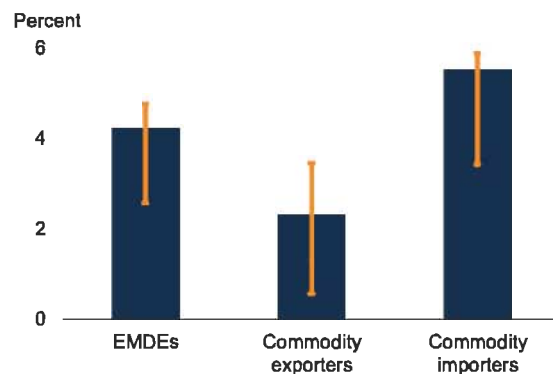


Chart: EMDE projected and potential growth in 2019
Source: Global Economic Prospects of January 2019 by World Bank Group

Downward revisions reflect, to varying degrees, more adverse financial conditions and the resulting policy adjustment, softening confidence, lingering effects of strikes and political uncertainty, and weaker commodity prices and mining bottlenecks. These downward revisions are also reflected in forecasts for EMDE regions with a substantial number of commodity exporters.

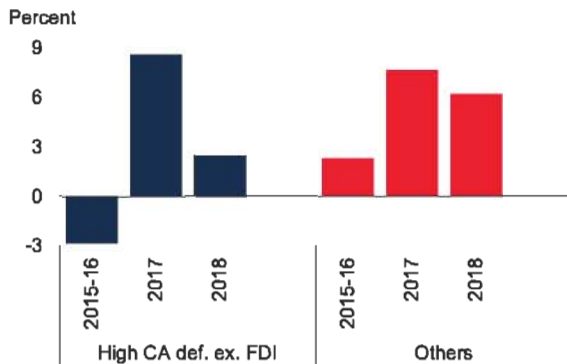


Chart: Import growth in EMDEs, volumes
Source: Global Economic Prospects of January 2019 by World Bank Group

Growth in commodity importers is expected to moderate to 5.5 percent in 2019 and remain steady at 5.6 percent in both 2020 and 2021 broadly in line with its potential rate. A structural slowdown in China is expected to be partly offset by a moderate pickup in other large economies in this group. In commodity importers excluding China, a downgrade to growth projections of 0.4 percentage point this year partly reflects the worsened outlook for Turkey as a result of the effects of recent financial market stress, and, to a lesser degree, in some other large economies (e.g., Pakistan, Romania).

ECONOMIC GROWTH OF BANGLADESH

According to the final estimate of BBS, GDP growth for FY2017-18 reached 7.86 percent, significantly higher than the growth of 7.28 percent in the preceding fiscal year. Among the broad sectors of GDP, the contribution of agriculture and service sector to GDP slid down by 0.51 percentage point to 14.23 percent and by 0.74 percentage point to 52.11 percent which was offset by an increased share of industry by 1.24 percentage point to 33.66 percent in relation to the preceding year.



During the period broad agriculture sector registered a growth of 4.19 percent, up by 1.22 percentage point compared to the previous year due to the better performance of most of its sectors and sub-sectors. Crop and horticulture grew to 3.06 percent, 2.10 percentage

point higher than the previous year. Animal farming sub-sector progressed than the year before, but 'forest and related services' sub-sector declined. Fishing sector similarly grew at a rate of 6.37 percent, 0.14 percentage point higher than the previous year.

In FY2017-18, broad industry sector grew by 12.06 percent, higher than the growth of 10.22 percent in the previous year. In broad industry sector, the growth of mining and quarrying sector declined to 7.00 percent in FY2017-18 from 8.89 percent in FY2016-17. In contrast, manufacturing sector, 'electricity, gas and water supply' sector and construction sector experienced a growth of 13.40 percent, 9.19 percent and 9.92 percent respectively.

Of the manufacturing sector, large and medium-scale manufacturing sector grew at a pace of 14.26 percent compared to the growth of 11.20 percent in the preceding year but small scale manufacturing sector exhibited a growth of 9.25 percent, slightly lower than FY2016-17. Of the 'electricity, gas and water supply' sector electricity and gas sub-sector registered a faster growth in relation to the previous year.

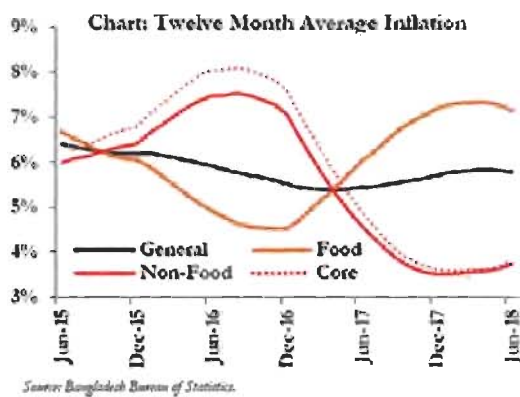
In FY2017-18 broad service sector grew by 6.39 percent, down by 0.30 percentage point a year earlier. Among the broad service sector, wholesale and retail trade, hotel and restaurants, real estate, renting and business activities and community, social and personal services performed better than the year before, but some other sectors such as transport, storage and communication, financial intermediation, public administration and defense, education, health and social works exhibited slightly lower pace of progress. Continuing the upward trend per capita GDP of Bangladesh reached US\$1,675 in FY2017-18 from US\$1,544 a year earlier. Likewise, per capita national income increased to US\$1,751 in FY2017-18, US\$141 higher than the previous year as per the final estimates of BBS.

SAVINGS AND INVESTMENT

During FY2017-18, domestic savings reached 22.83 percent of GDP, down by 2.50 percentage points from the previous year. During the same period, national savings as percent of GDP declined to 27.42 percent from 29.64 percent. On the other hand, investment in FY2017-18 increased to 31.23 percent of GDP, up by 0.72 percentage point from the preceding fiscal year. Of this, the share of private investment stood at 23.26 percent of GDP, slightly higher than the previous year and that of public investment augmented to 7.97 percent of GDP, moderately higher than the previous fiscal year (7.41% of GDP).

INFLATION

From the beginning of FY2013-14 a downward trend has been observed in year-on-year inflation. Starting from 7.35 percent in FY2013-14 year-on-year inflation declined to 5.44 percent in FY2016-17 but slightly increased to 5.78 percent in FY2017-18. Satisfactory domestic production, favorable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to such sliding of overall inflation.



Following downward trend food inflation declined from FY2013-14, but in FY2016-17 and FY2017-18 shifting the direction it upturned to 6.02 percent and 7.13 percent respectively. On the other hand, with an upward inclination since FY2013-14, non-food inflation shot up but after that it came down to 4.61 percent in FY2016-17 and 3.74 percent in FY2017-18.

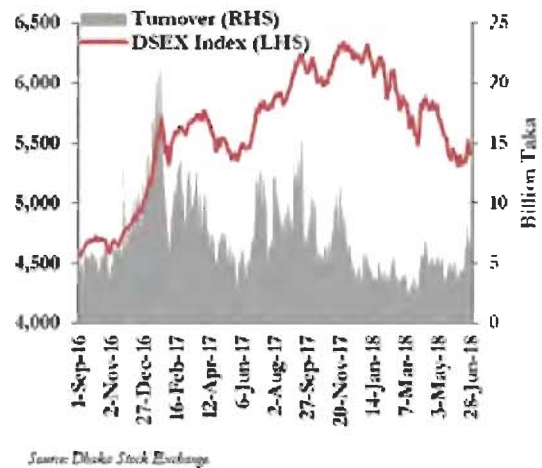
INTEREST RATE

The weighted average lending rate of commercial banks increased to 9.95 percent at the end of June 2018 from 9.56 percent of end June 2017. Similarly, the deposit rate increased to 5.50 percent in June 2018 from 4.84 percent in the same period of previous year. The interest rate spread slightly decreased to 4.45 percent at the end of June 2018 from 4.72 percent of June 2017 as well.

CAPITAL MARKET

The total number of listed securities in Dhaka Stock Exchange has increased from 563 in June 2017 to 572 in June 2018. At the end of June 2018 total issued capital of all listed securities stand at Tk.1,21,966.51 Crore, which was Tk.1,16,551.08 Crore in June 2017, registering 4.65 percent growth. Total Market Capitalization of all listed securities was Tk.3,80,100.10 Crore in June 2017, which stands at Tk.3,84,734.78 Crore in June 2018, representing 1.22 percent increase. DSE board Index (DSEX) on 28 January 2013 where the first day closing was 4,090.47 points which reached highest points at 6,336.88 in 26 November 2017.

Chart: DSEX Index and Turnover



On the other hand, at the end of June 2018, the total number of listed securities in Chattogram Stock Exchange is 312. At 30th June 2018, issued capital of all securities is 6,54,059.10 million BDT which was more than 7.82 percent from June 2017. Towards the end of 30th June 2018, Market Capitalization of CSE 3,123.52 Billion BDT which was increased 0.33 percent from the last fiscal year. CSE All Share Price Index was 16,558.50 at the end of 30th June 2018 which was 15,580.37 in the end of June 2017.

EXTERNAL SECTOR

Export

Country's export earnings stood at US\$ 36,668 million in FY2017-18, which is 5.81 percent higher than the export earnings (US\$ 34,656 million) of FY2016-17. During the year under report, export earnings increase due mainly to increases of export of agricultural product, ceramic products, handicraft, cotton and cotton products, knitwear, home textile, jute goods, chemical products, woven garments etc. Data on category-wise exports earnings in FY2017-18 shows that export earnings from agricultural product and ceramic products have increased by 38.55 percent and 32.70 percent respectively over the last fiscal year, followed by handicraft products (15.26%), cotton and cotton products (14.03%), knitwear (10.40%), home textile (9.95%), jute goods (9.48%), chemical products (7.66%), woven garments (7.18%), specialised textile (3.67%) and footwear (1.33%). On the other hand, export earnings decreased mainly in terms of petroleum by product (86.18%), engineering products (48.32%), tea (38.03%), plastic product (15.79%), leather and leather goods (12.03%), raw jute (7.24%) and frozen food (3.42%).

Import

Country's total import payments (c&f) stood at US\$58,865 million in FY2017-18, which is 25.23 percent higher than the import payments of US\$47,005 million of the preceding year. In terms of value of total imported commodities, China secured the first position for our import in FY2017-18. During this period 27.07 percent of the total imported commodities came from China. India was the second largest source of import (15.19%) while Japan held the third position (4.11%).

OVERSEAS EMPLOYMENT AND REMITTANCE

A significant portion of domestic labor force is employed in the Middle-East and many other countries of the world. In spite of decreasing the migration rate, Bangladesh has earned huge amount of remittances in FY2017-18. About 8.8 lakh Bangladeshi employees went abroad in quest of jobs in FY2017-18, which was 2.8 percent lower than the previous year. Bangladesh achieved remittances of US\$14,981.69 million in the FY2017-18 which was 17.32 percent higher than US\$12,769.5 million in the FY2016-17.

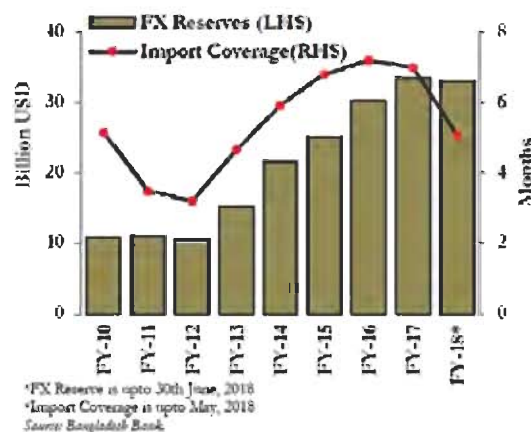
BALANCE OF PAYMENTS (BOP)

Trade Deficit has increased significantly at US\$18,258 million in the FY2017-18 compared to US\$9,472 million in FY2016-17 due to high import payments. In addition, Service account and Primary income account deficit also increased significantly by 39.11percent and 27.91 percent respectively. But the Secondary income account surplus increased by 16.13 percent in FY2017-18 compared to previous year due to the high growth of workers' remittances. The financial account achieved a surplus of US\$9,076 million as compared to US\$4,247 million in FY2016-17. The overall balance recorded the deficit of US\$885 million in FY2017-18 due to higher deficit of US\$9,780 million of current account balance.

FOREIGN EXCHANGE RESERVE

Bangladesh Bank maintained stability in retaining foreign exchange reserves. The gross foreign exchange reserves of Bangladesh Bank had reached US\$32,916 million at the end of June 2018 mainly due to higher growth of import payment. Foreign exchange reserves reached to 32,078.6 million US\$ on July 2018.

Chart: Forex Reserve and Import Coverage



EXCHANGE RATE

The weighted average inter-bank rate stood at Tk.82.10 per US\$ in FY2017-18, which was Tk.79.12 per US\$ in FY2016-17, resulting in a depreciation of 3.77 percent.

Money, Banking and Financial Sector Reforms

In order to improve the standards of existing banks of Bangladesh to international level through competitive management and to stabilize and strengthen the financial base of the overall banking system, a number of initiatives including restructuring of money and financial market have been taken by Bangladesh Bank and the implementation of the same is going on.

- In order to strengthen the Asset-Liability management of the banks and its liquidity position, two new statements namely 'Wholesale Borrowing' and 'Commitment Limit' have been introduced in light of Asset-Liability Management Guidelines issued by Bangladesh Bank in March 2016.
- Bank's exposure (in the form of loans & advances, deposit or in any other form) with financial institutions is under strict monitoring process.
- With a view to strengthening the financial indicators of the banking industry such as capital base, Liquidity condition, Interbank dependency, LCR & NSFR as per Basel-III requirement and to ensure harmonious advance growth in line with deposit growth, ADR/IDR ratio has been revised.
- Bank's investment in commercial paper is being monitored in quarterly basis.

Capital Market

- Bangladesh Securities and Exchange Commission (Market making) Act, 2017' has been formulated.
- Bangladesh Securities and Exchange Commission (Public Issue Investment Education Development and Training) Act, 2016' has been amended.

SHORT AND MEDIUM TERM PROSPECT OF BANGLADESH ECONOMY

The Medium-Term Macroeconomic Framework (MTMF), 2019-2021 envisaged the macro-economic and fiscal indicators for the budget year and the projection of two outer fiscal years. Based on the prospects and potential risks in global and domestic economic context, GDP, under MTMF, has been projected to grow at an average rate of 7.6 percent over short and medium term and predicted to attain a growth of 8.2 percent in FY2020-21. Investment as percent of GDP is expected to increase to 33.5 percent in FY2018-19 from 31.5 percent in FY2017-18. If this trend continues investment is likely to be 35.3 percent of GDP in FY2020-21, of which the investment of private and public sectors is expected to be 26.2 percent and 9.0 percent of GDP respectively.

The achievement of the growth targets as set in the MTMF is contingent upon the success of certain reform programmes of the Government. Enhancement of productivity with particular attention on education, health, Information and Communication Technology (ICT) and development of physical infrastructures like power, energy, communication, transportation in a coordinated way are very important in this context. The Government has been implementing a wide range of activities in this regard, particularly to encourage private investment by reducing infrastructure constraints and creating ample opportunities for them. The success of these initiatives will dictate the extent to which the targets envisaged in MTMF will be fulfilled.

For the sustained growth in agriculture, the government's supports for expanding technology, diversifying crops, extending production of non-seasonal crops along with the seasonal ones, innovating new variety of salinity tolerant seed and high yielding variety of paddy and jute, providing subsidy and agricultural credit, ensuring uninterrupted power supply for irrigation and extending assistance to agro-based industries are indispensable. These sorts of supports are expected to continue in the coming years also.

The government has been trying relentlessly to overcome the infrastructural and energy constraints. In the face of increasing demand for electricity, the government is implementing its plan of increasing electricity generation capacity to 24 thousand MW by 2021. In this context, initiatives have been taken to import Liquefied Natural Gas (LNG) and to explore new gas fields. To remove

the bottlenecks of infrastructural paucity the government is prioritizing integrated development of roads, rail and water ways. To expedite economic development as well as industrialization establishment of 100 special economic zones by the next 15 years is in progress. Establishment of 79 economic zones has already been approved, of which 56 will be established under government initiatives and the rest will be built under private edges. In addition, to speed up the implementation of the growth enhancing transformational projects including the Padma Bridge project, special fund has been allotted in the national budget. Successful implementation of these projects is expected to play a significant role in promoting economic growth.

In the MTMF the revenue target for FY2018-19 has been set at 13.40 percent of GDP which is 1.8 percentage points higher than the revised target for FY2017-18. Revenue is projected to scale up to 13.8 percent and 14.2 percent of GDP in the following two years. Continuation of legal, procedural, structural and administrative reforms as before, proper implementation of the new Value Added Tax and Supplementary Duty Act, 2012, execution of alternative dispute resolution and automation of all customs houses will augment revenue mobilization to the desired level.

With the estimation of the government expenditure at 16.6 percent of GDP in the revised budget for FY2017-18, MTMF has projected the same as a percent of GDP at 18.4 percent in FY2018-19, 18.8 percent in FY2019-20 and 19.2 percent in FY2019-20. Of this, expenditure on Annual Development Programme is estimated to reach 6.8 percent of GDP in FY2018-19, 7.1 percent in FY2019-20 and 7.2 percent in FY2020-21 from 6.6 percent in FY2017-18 (revised). Channeling necessary funds for the implementation of the mega projects of the Government is likely to increase the outlay of ADP.

As per the revised budget of FY2017-18 the overall budget deficit has been anticipated to remain within 5.0 percent of GDP, 60 percent (3.0% of GDP) of which will be financed by domestic sources and the rest will be backed by external sources. Of the domestic financing, one-third (0.9% of GDP) will come from the banking sector as credit and the rest (2.1% of GDP) will be collected from non-banking sources, particularly from selling of savings certificates. Gradually dependence on savings certificates for deficit financing is planned to be reduced. In the succeeding 3 years budget deficit is expected to stay around 5.0 percent of GDP. In recent years the role of banking sector in financing budget deficit has been weakened owing to the high revenue receipt from the sale of savings certificates due to their high interest rate. However, in order to facilitate the private investment the government has taken endeavors to rationalize interest rate which is likely to make it possible to meet the budget deficits as per the targets set in MTMF.

The government has been pursuing cautious monetary policy stances to maintain macroeconomic stability and to keep inflation in check. The inflation in FY2017-18 is projected to be 5.80 percent. While setting MTMF targets, it has been anticipated that inflation will slide down to 5.60 percent and will stay around there over the subsequent three fiscal years. Moreover, it is expected that through consistent increase in food production, uninterrupted supply of essential commodities, adequate monitoring of the market system and ensuring food security the government will be able to keep food inflation under control.

Considering the growth targets and expected inflation in medium term, MTMF has projected the year-on-year growth of broad money within 14-15 percent, while keeping the private sector credit growth around 16.80 percent. GDP growth is expected to be achieved if the flow of loan continues as above.

In setting MTMF targets it has been predicted that both exports and remittances will regain their firm position. Despite the falling trend of these two indices in the short term, the pace of the economy is not likely to be interrupted due to the existence of domestic demand.

The concerted efforts on exploring new labour markets and intensive diplomatic initiatives to increase expatriate employment and various initiatives of the government including providing training to create skilled manpower are expected to contribute to the upscaling of remittance and exports.

In FY2017-18 expenditure on imports was also estimated to increase. Around 70-75 percent of imports of Bangladesh are essential goods (industrial raw materials, capital equipment and fuel oil etc.). In medium term, import expenditure has been projected to increase by 14 percent.

In medium term, Current Account Balance (CAB) has been projected to be in deficit and by the end of FY2020-21 it has been estimated to reach 2.00-2.40 percent of GDP. Due to the rises in foreign direct investment as well as in Medium and Long Term (MLT) credit inflows a surplus in capital and financial accounts is expected. As a result, overall balance will be in surplus which will maintain the stability of exchange rate and keep the foreign exchange reserve at satisfactory level.

The goal of maintaining macroeconomic stability together with attaining targeted GDP growth rate and inflation will be realized if the implementation of prudent fiscal management, application of cautious and effective monetary policy, appropriate management of expenditure, sound implementation of the reform activities can be done properly. Table 1.3 highlights the projection of key macroeconomic indicators during FY2018-19 to FY2020-21.

BANKING SECTOR OUTLOOK 2018

GDP growth momentum in FY18 was underpinned by strong domestic and external demand, as reflected in buoyant public and private investment, and consumption, driven by higher exports, remittances, and private credit growth. A broad-based pickup in global growth provided a favorable external backdrop for exports and remittances.

Import growth, however, increased sharply, reflecting a confluence of domestic and external factors: capital goods and infrastructure-related imports, higher commodity and oil prices, a sharp one-off increase in food imports after the floods last year, which widened current account deficit and tightened liquidity conditions.

GDP growth at 7.65 percent outperformed the target of 7.4 percent and average inflation at 5.78 percent slightly underperformed, relative to the goal of remaining within 5.5 percent, reflecting weather-related shocks amid rising global inflation.

Inflationary risk concerns remained largely under control in FY18 since broad money (M2), the key determinant of inflation, grew by 9.2 percent, well below the program target of 13.3 percent. Private credit growth, despite recent moderation, remained strong at 16.95 percent in June 2018, slightly above the FY18 program target, but domestic credit (DC) growth reached 14.6 percent, below the program target of 15.8 percent.

BB's policy measures since the last MPS - a reduction in CRR by 1 percentage point and repo rate by 75 basis points - along with the increased deposits by public agencies in private banks helped moderate the liquidity tightening from the negative NFA growth. These measures aided banks' initiatives to moderate interest rate spikes in the near term. That said, medium-term interest rate and foreign exchange flexibilities remain important pre-conditions for market development, higher investment, and employment-focused growth for achieving the Sustainable Development Goals (SDGs) by 2030.

Balancing the inflation and output risks, amid improving liquidity conditions and moderating food inflation while inflation expectations are elevated and global market conditions tighter, BB has decided to maintain the policy rates at their current levels, with repo and reverse repo rates at 6.0 and 4.75 percent, respectively. The FY19 monetary program sets growth ceilings of private credit, domestic credit and broad money at 16.8, 15.9, and 12.0 percent, respectively, adequate to support growth while maintaining price stability.

Furthermore, BB will continue to resort to intensive and intrusive supervision in ensuring that credit flows reach the priority sectors (agriculture, manufacturing, SMEs) that can create more and better jobs while protecting the environment.

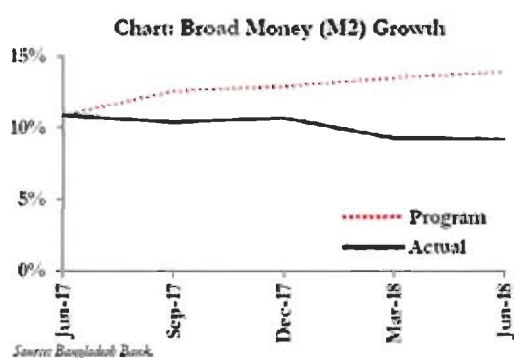
A move toward a market rate-linked National Savings Certificates (NSCs) pricing mechanism, reduction in NPLs, and nudge to the corporates for increasing their reliance on capital market financing remain important pre-requisites for improving monetary transmission mechanism, financial efficiency and stability, and developing the capital markets.

BANKING SECTOR PROJECTION 2019

The robust seven plus percent FY18 GDP growth momentum in H1FY19 remained strong, well supported by both domestic and export demand. The sharply widened FY18 bop current account deficit (from spiking flood damage related food grain imports and some big ticket investment related imports) moderated substantially in H1FY19, coming down towards sustainable levels.

Inflationary pressures remained well contained in H1FY19. Aided by moderating food inflation from lower rice prices, headline CPI inflation (point-to-point) continued its declining trend, although nonfood inflation, rising since early 2018, reached 4.51 percent in December 2018. Headline CPI inflation declined gradually to 5.35 percent in December 2018 from 5.54 percent in June 2018. Consequently, 12-month average inflation edged down to 5.54 percent in December 2018 from 5.78 percent in June 2018.

BB's policy measures in FY18 (reducing CRR by one percentage point, repo rate by 75 basis points, and introducing repo tenors up to 28 days) eased liquidity tightening from the negative NFA growth due to the sharp widening of current account deficits. These measures helped avoid interest rates spikes. However, uptick in trend of core CPI inflation and the outcomes of BB's inflation expectation survey indicate persistence of inflationary pressures to confront on the path ahead.



Balancing inflation and output risks, given the near-term domestic and global inflation and growth outlook and

the associated risks, repo and reverse repo rates will be maintained at current levels of 6.0 and 4.75 percent, respectively, for H2FY19. The H2FY19 monetary program targets broad money (M2), domestic credit (DC), and private sector credit growth ceilings at 12.0, 15.9, 16.5 percent respectively, sufficient to accommodate attainment of real GDP growth and CPI inflation projections of the FY19 national budget (7.8 and 5.6 percent respectively).

BB's usual support and promotion of adequate credit flows to job creating priority productive sectors will continue in H2FY19, including in MSMEs, agriculture, green transition of output practices, and entrepreneurship. Massive investment mobilization needed for realizing Bangladesh's aspirations for rapid high growth require rapid financial and capital market development, which in turn requires maintaining market based flexibility of Taka interest and exchange rates. The marked H1FY19 slowdown in private sector credit growth may largely have been from uncertainties in the run up to national election, but whether the recent rigidity in lending and deposit interest rates have also contributed (with high yield NSCs siphoning away much of household savings, causing growth slowdown in bank deposits bearing much lower interest rate) will be clearer in H2FY19. Addressing these issues, and bringing down banking sector NPLs by instilling strict lending and recovery discipline remain the key imperatives.

PERFORMANCE OF STANDARD BANK LIMITED

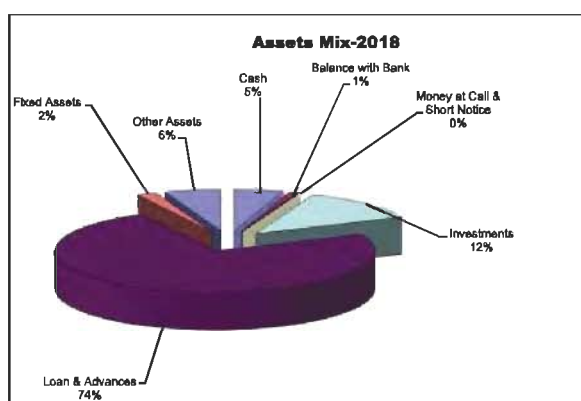
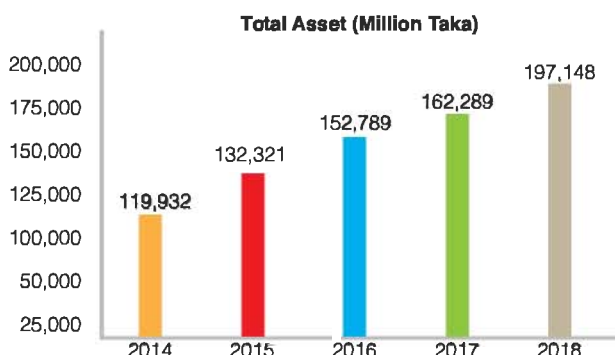
Standard Bank has successfully achieved improved operational results showing an impressive upward trend. Bank's operation has achieved the confidence of its customers with sound fundamentals in respect of deposit accumulation and loans & advances. As a result the bank has been able to earn a steady after 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 2018 total asset of the Bank stood at Tk. 197,148 million with a positive growth of 12.21% (Fifteen percent) in comparison with corresponding previous year of 2017. 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. 1,546 million in 2018 as against Tk. 1,209 million of the previous year i.e. 28% increases that indicates the optimum retention of fund to meet current obligation in comparison to with the previous year.

BALANCE WITH BANGLADESH BANK AND ITS AGENTS

During the year 2018, Balances with Bangladesh Bank and its agents decreased by 5% (five percent) amounted to Tk. 8,139 million.

BALANCE WITH OTHER BANKS/ FINANCIAL INSTITUTIONS

During the year 2018 balances maintained with other banks and financial institutions stood atTk. 1,653 million as against Tk. 3,220 million of the previous year which is decreased by 49% from previous year.

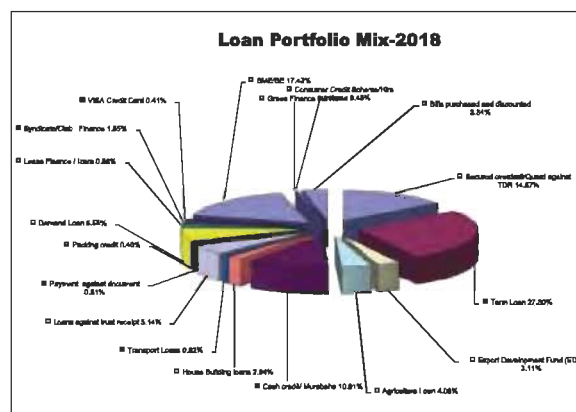
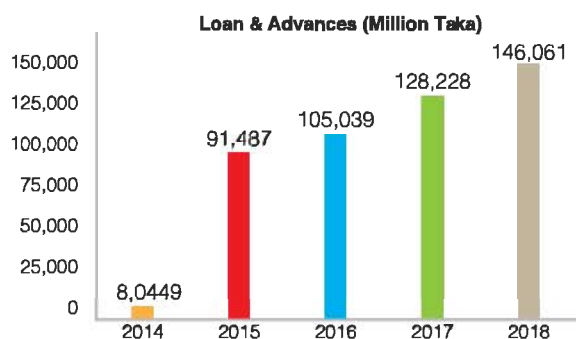
INVESTMENTS

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. 24,614 million in 2018 as compared to Tk. 20,234 million of the previous year.

LOANS AND ADVANCES

Total Loans and Advances of the Bank has increased to BDT 146,061 million as on December 31,2018 in comparison to BDT 128.228 million as on December 31, 2017, which indicates an increase of 13.91% 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 2018 was Tk. 1680.50 million.

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 Floffman Kiln (HHK), etc.

Due to prudent initiative of the Management, it becomes possible to retain the non-performing loan within 7.90% i.e. Tk. 11,349 Million against the total loans and advances of BDT 143,730.47 million at the end of the year 2018.

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

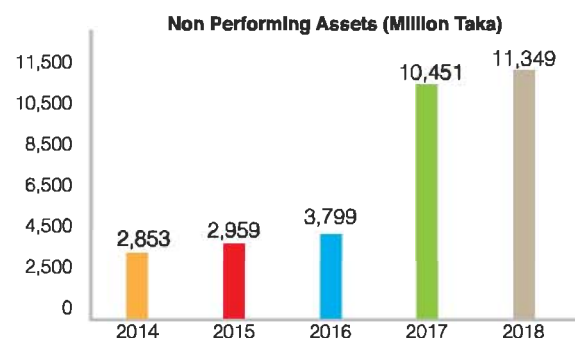
Standard Bank Limited always adopts strategy for widespread service for the large and medium sized corporate customers and Bank's business is focused to a considerable extent on the corporate clients by maintaining a relationship and extending financial assistance based on a deep understanding of the 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 outstanding balance of loan under Syndicated Finance stands at Tk. 1,680.50 million as on 31.12.2018. 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 noni performing loans of the Bank stood at Tk. 11,349 million at the end of 2018 compared to Tk. 10,451 million in 2017 i.e. 8.58% increase from previous year.



LIABILITIES AND SHAREHOLDERS' EQUITY

Total liabilities of the Bank stood at Tk. 182,332 million as of 31 December 2018 registering a growth of approximately 12% (twelve percent) over the last year. This was mainly due to increase in customers' deposits.

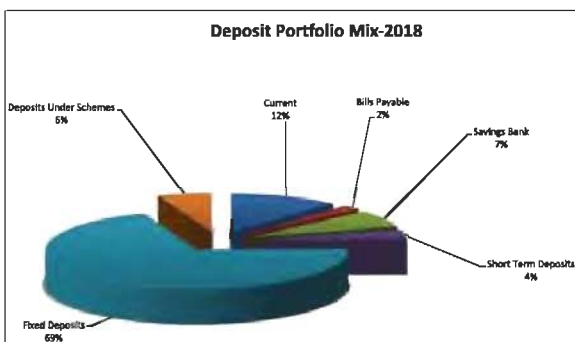
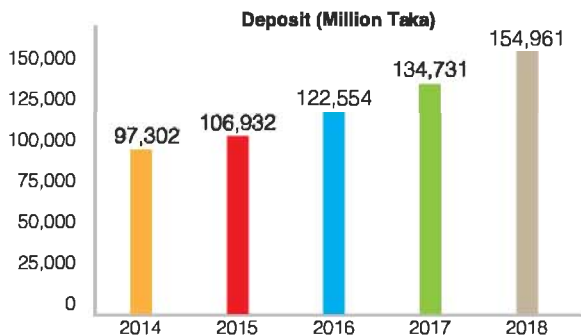
Borrowings from other Banks, Financial Institutions and Agents

The function of the Treasury Division is borrowing and lending fund from money market. Borrowing from other Banks, financial institutions and agent including overnight borrowing stood at Tk. 12,092 million at the end of 2018 compared to Tk. 13,425 million of 2017. The Bank's borrowing also includes borrowing against refinance from

Bangladesh Bank for financing under SME scheme and financing against SME (women entrepreneurs).

DEPOSIT

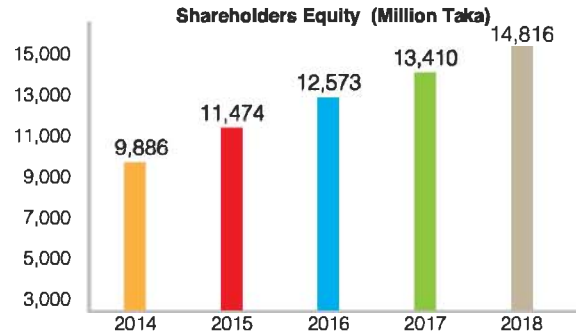
Deposit is the principal source of fund invested to generate revenue in banking business. SBL always tried to give the highest return on the deposit from the customers. The Bank's deposit stood at Tk. 154,961 million as on 31 December, 2018 compared to Tk. 134,731 million in 2017, thus recording 15% percent positive growth. Competitive interest rates, attractive deposit products, deposit mobilization efforts of the Bank and confidence reposed to 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 growth of deposit.



SHARE CAPITAL

The Authorized Capital of the Bank was Tk. 15,000 million as on 31.12.2018. The paid up capital of the Bank has been increased to Tk. 8,710 million from Tk. 7,918 million due to declaration of 10% (ten percent) stock dividend for the year 2017. The total equity of shareholders of the Bank at the end of the year 2018 stood at Tk. 14,816

million and in 2017 was at Tk. 13,410 million.



STATUTORY AND OTHER RESERVE

The Statutory and Other Reserve increased to Tk. 5,017 million during the year by registering 9% increase over Tk. 4,595 million of the last year.

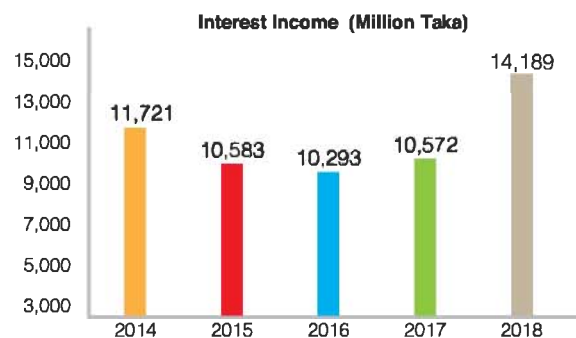
OTHER LIABILITIES

During the year 2018, other liabilities of the Bank increased to Tk. 15,279 million from Tk. 14,134 million of 2017.

INCOME

Interest Income

During the year 2018 interest income of the Bank was Tk. 14,189 million as against Tk. 10,572 million of the previous year thus positive growth of 34% percent due to lower interest spread. The income generated mainly from loans and advances, which remained the principal contributor.

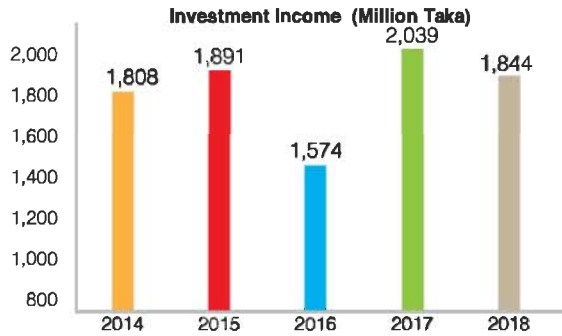


Net Interest Income

The net interest income of the Bank for the year under review stood at Tk. 3,710 million as against Tk. 2,997 million for the previous year.

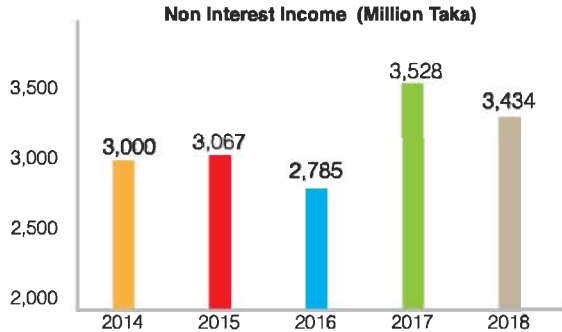
Investment Income

The Bank's investment income during the year 2018 was mostly in long term Govt. Securities which stood at Tk. 1,844 million as against Tk. 2,039 million in 2017. 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. 1,137 million which was Tk. 1,147 million in 2017.



EXPENSES

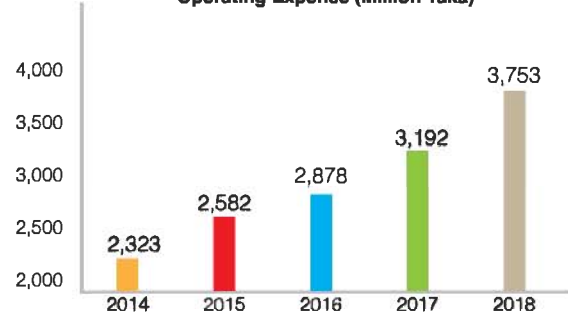
Interest Expenses

Interest expenses moved up from Tk. 7,575 million in 2017 to Tk. 10,479 million in 2018 posting an increase of 38.34%. The interest expenses of the Bank were increased due to increasing trend of deposit rates in the market.

Operating Expense

In the year 2018, total operating expenses stood at Tk. 3,753 million as against Tk. 3,192 million of the previous year.

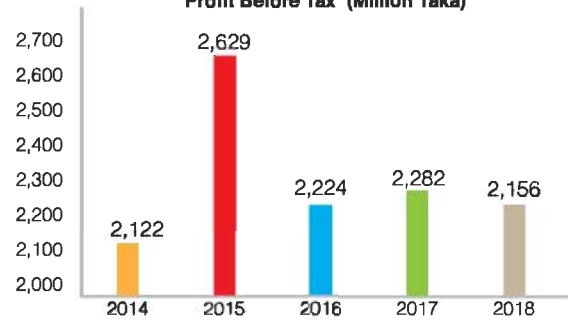
Operating Expense (Million Taka)



PROFIT BEFORE TAX

Net profit of the Bank before tax stood at Tk. 2,156 million as against Tk. 2,282 million of the previous year.

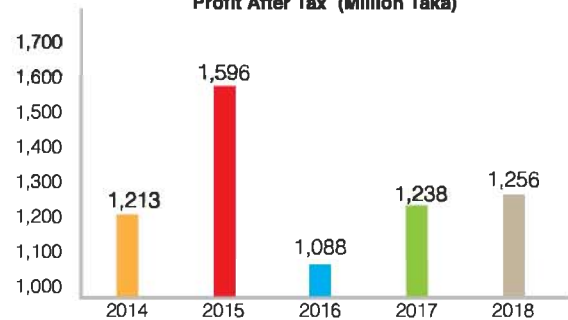
Profit Before Tax (Million Taka)



NET PROFIT AFTER TAX

Net profit of the Bank after tax stood at Tk. 1,256 million in 2018

Profit After Tax (Million Taka)

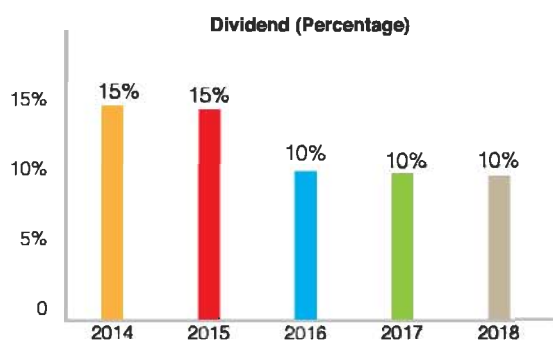


OPERATIONAL SUCCESS AND APPROPRIATION OF PROFIT

The operating profit of the Bank during the year 2018 was Tk. 3,391 million as against Tk. 3,325 million in 2017. The Bank was able to earn gross income of Tk. 17,385 million during the year 2018 whereas the gross expenses were Tk. 14,068 million.

DIVIDEND

The Board of Directors of the Bank in its 312th Board meeting held on 25.04.2018 has recommended 10% Stock dividend for the year 2018 of Tk. 870,987,696.00 after keeping Tk. 51,446,105.00 and Tk. 421,820,680.00 as retained earnings /surplus profit and Statutory Reserve respectively subject to approval from shareholders at 20th AGM of the Bank in order to maintain satisfactory capital base of the Bank.



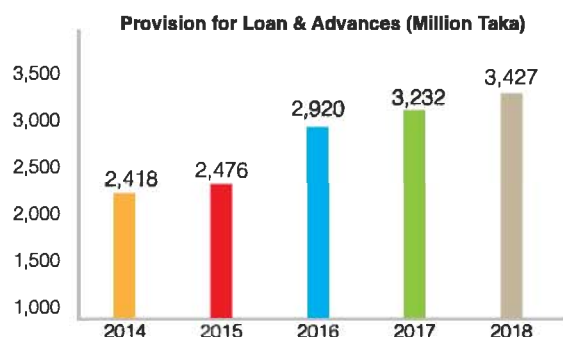
PROVISION FOR LOANS & ADVANCES

For making required provision amounting to Tk. 119.47 million against classified and unclassified advances as per revised directives of Bangladesh Bank by December 2018, the Bank made provision for Tk. 886 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.

SEGMENT REPORTING

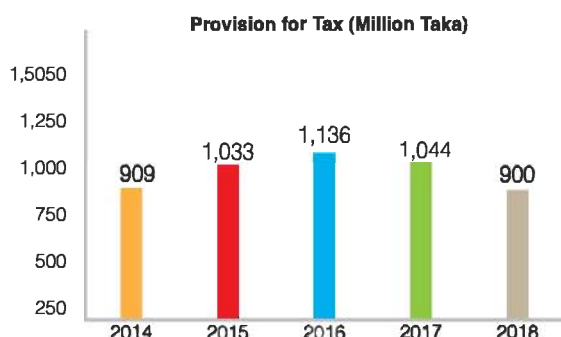
Following table also summarizes both the stand alone performance of the Bank and its subsidiaries.

Particulars	Standard Bank Ltd.	Subsidiaries		Overseas		Total
		SBL Capital Management Ltd	SBL Securities Ltd	UK Ex.House	USA Ex. House	
Net interest Income	3,723,524,647	(34,257,575)	53,074,980	-	538,483	3,742,880,536
Total Operating Income	6,461,452,961	57,591,452	99,204,646	16,394,736	83,170,443	6,717,814,239
Total Non Operating Income	444,402,452	2,209,400	266,090	1,528,749	4,024,133	452,430,824
Total Operating Expenses	3,588,283,441	15,253,270	42,895,622	19,194,426	113,224,672	3,778,851,431
Profit before Provision	3,317,571,972	44,547,582	56,575,114	(1,270,941)	(26,030,096)	3,391,393,631
Total Provision against assets	1,208,468,572	10,984,346	16,088,538	-	-	1,235,541,456
Profit before Tax (PBT)	2,109,103,400	33,563,236	40,486,576	(1,270,941)	(26,030,096)	2,155,852,175
Provision for Taxation	854,366,775	32,192,032	13,746,067	-	-	900,304,874
Profit After Tax (PAT)	1,254,736,625	1,371,204	26,740,509	(1,270,941)	(26,030,096)	1,255,547,301
Segment Assets	195,764,449,747	1,120,009,279	439,507,597	22,621,527	75,525,362	197,422,113,512
Segment Liabilities	195,764,449,747	1,120,009,279	439,507,597	22,621,527	75,525,362	197,422,113,512



PROVISION FOR TAX

Provision for tax for the year 2018 is Tk. 900 million compared to Tk. 1,043 million of previous year. According to Bangladesh Accounting Standards (BAS) 12, Current Tax of the Bank has been calculated.



CREDIT RATING OF THE BANK

Surveillance rating of Standard Bank Limited was rated as on AA on the information of 31.12.2018 by the Credit Rating Information Services of Bangladesh Limited (CRISL) which is a local rating company. The Bank has achieved AA 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:

- Credit Risk Management
- Asset Liability Management
- Foreign Exchange Risk Management
- Prevention of Money laundering
- Internal Control and Compliance
- Information and Communication Technology 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
- CFO
- 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. Anti-Money Laundering & Combating Financing of Terrorism Compliance

Money Laundering and Terrorist Financing is indeed a global phenomenon which undermines the economic potential, social security, political stability and cultural integrity. Money Laundering, Terrorist Financing and Financing in Proliferation of Weapons of Mass Destruction are globally most discussed issues now a day. Money Laundering is a problem not only in the world's major financial markets and offshore centers, but also for emerging markets. As a developing country, Bangladesh is now in vulnerable condition like other parts of the world for Money Laundering, Terrorist Financing and Financing in Proliferation of Weapons of Mass Destruction.

Launderers and terrorist financiers are continuously looking for loopholes & new routes for their funds by taking a chance of weak or ineffective legal and institutional frameworks of a territory. Economies with growing or developing countries but inadequate controls in money laundering and terrorist financing are particularly vulnerable to established as developed countries. Money laundering can erode a nation's economy by changing the demand for cash, making interest and exchange rates more volatile and causing high inflation in countries where criminal elements are doing business. The draining of huge amounts of money in each year from normal economic growth poses a real danger for the financial health of every country which in turn adversely affects the global market.

Rapid developments in financial information, technology and communication allow money to move anywhere in the world with speed and ease. This makes the task of combating money-laundering more urgent than ever. The deeper dirty money gets into the banking system, the more difficult it is to identify its origin. Because of the clandestine nature of money-laundering, it is difficult to estimate the total amount of money that goes through the laundry cycle.

To maintain the international standard, Bangladesh has taken a number of initiatives to prevent money laundering and combat terrorist financing and proliferation of weapons of mass destruction. Similarly, Bangladesh's banking sector comes forward to adopting international best practices in this sector. Now it is more important to identify and assess the emerging ML, TF & PF risks and monitor closely into the vulnerabilities within the up to date banking practices and procedures. It is high time for banks to prioritize unity against money laundering and terrorist financing activities to protect the integrity and stability of Bangladesh's financial system.

To keep our financial system sound & stable, Standard Bank Limited is committed to take appropriate measures from its position to prevent ML, TF & PF risks in the bank. Meantime, SBL has taken the following initiatives to comply with the requirements of Bangladesh Financial Intelligence Unit (BFIU).

According to BFIU Circular Letter No. 01/2017 dated 16/01/2017, Uniform Account Opening Form has already been implemented in the bank. It includes standardized Know Your Customer (KYC), Transaction Profile (TP), Sources of Fund and Risk Grading of Customer as per Money Laundering Prevention Act-2012 (amendment-2015) and Circular No. 19 dated 17.09.2017 of BFIU.

Money Laundering & Terrorist Financing Risk Assessment Guidelines for our Bank has been sent for vetting to BFIU. The existing "Money Laundering & Terrorist Financing Risk Management Guidelines, September-2015 is under reviewing & updating process. "Standard Bank Ltd, Customer Acceptance Policy" has reviewed & updated in 2018.

SBL has been ensuring the implementation of Money Laundering Prevention Act, 2012 (amendment-2015) and adopted Anti Terrorism Act, 2009 (amendment 2012 & 2013) and circulated it to all of its branches to cope with latest AML strategies of National and Global arena.

After analyzing correct & complete Cash Transaction Reports (CTR), it has been submitted to BFIU, on regular basis using BFIU goAML portal. In the year- 2018, around 1,06,270 cash transaction reports of different branches of the SBL have been sent to BFIU. During analyzing process, if found any suspicious transaction, it would be sent to BFIU as suspicious transaction report.

SBL generates Money Laundering Monitoring Report from its Core Banking Software (CBS) to find out structuring in transactions as well as to detect Suspicious Transaction. SBL also detected Suspicious Transaction manually. In the year-2018 AML & CFT Division reported 28 (Twenty eight) STRs & SARs from different Branches & Head Office to BFIU.

AML & CFT Division made a summary report on Self Assessment after extracting the Self Assessment Report received from branches on half Yearly basis and submit it BFIU after getting approval from Top Management/Board of Directors on half yearly basis. Independent Testing Procedures is done by the ICCD officials while conducting Audit in the branches. The same is summarized and placed before the management on half yearly basis.

Screening Mechanism is fully activated in all branches of SBL to find out black listed persons/institutions from UN/OFAC/Local Sanction List for new customers of the Bank. Initiative has already taken to screen all existing customers to find out black listed persons/institutions from UN/OFAC/Local Sanction List. Sanction Screening for outgoing payment & incoming remittance is going on in the International Division, Head Office.

Preservation of KYC of Walk-in/One-off and Online Customers are mandatory for banks as per instruction of BFIU, Bangladesh Bank. To bring the Walk-in/One-

off and Online customers under due diligences, AML & CFT Division has issued circulars and circulated it to all branches about making a seal drawing a format of KYC to draw the seal on the back of the Cheque/Deposit slip of Walk-in/One-off and Online customers to preserve the KYC of those customers.

Apart from this, to build up awareness among the employees of SBL, AML & CFT Division of the Bank has conducted 23 (Twenty Three) AML/CFT Awareness Meeting in separate 23 Branches from 8.45 am to 9.45 am and also arranged Telephonic Conference with 19 remote branch officials from 5.00 pm to 6.00 pm.

AML & CFT Division conducts AML/CFT training/workshop on a periodic basis with the collaboration of Standard Bank Training Institute to enrich AML & CFT knowledge of its employees. 193 Officials of the bank took part in day long AML/CFT workshops in the year-2018.

AML/CFT Division has conducted two Lead Bank Training Workshop on AML/CFT one of which at Dinajpur on 21.07.2018 wherein 36 officials of different banks including 21 officials of SBL took part in the workshop and another one at Satkhira on 28/07/2018 wherein 48 officials of different banks including 28 officials of SBL took part in the workshop. These two workshop was arranged with the collaboration of BFIU to enrich AML & CFT knowledge of employees of SBL as well as other Banks working at Dinajpur District & Satkhira District.

Branches have been instructed to follow the Customer Due Diligence (CDD) procedures i.e. to obtain complete and accurate information of the clients while establishing the Banking relationship. Enhanced Due Diligence (EDD) is to be performed while opening the account of PEPs, IPs, the Chief of International Organizations and other high risk A/Cs.

In consequence, Money Laundering & Terrorist Financing is global problem & must attract global concerns. Without global & local comprehensive effort it cannot be controlled. If we devote our comprehensive & sincere effort to identify and assess the existing, emerging & future ML, TF & PF risks and look closely into the vulnerabilities within the current banking practices and procedures, we will be in secured position.

CENTRAL CUSTOMER SERVICES & COMPLAINT MANAGEMENT CELL

Service excellence & innovation is the key factors to be the market leader in modern banking industry. Inspired by the slogan "Together We Win", the Standard Bank Family is working with highest dedication to provide excellent and innovative services to its valued clients. With a nationwide network of 134 branches, 22 Agent Banking Outlets & 103 ATM Booths Standard Bank Limited is providing services to achieve its goals.

With a view to strengthening the corporate governance structure of Standard Bank Limited and also to improve the quality of customer services of the Bank as per instruction of FICSD, Bangladesh Bank, Complaint Cell of SBL has been reconstituted as Central Customer Services and Complaint Management Cell (CCS & CMC) under the direct supervision of Honorable Managing Director of the Bank.

Zonal Customer Services & Complaint Management Cell (ZCS & CMC) has been reformed under the Central Customer Services & Complaint Management Cell (CCS & CMC). Branch Level Customer Services & Complaint Management Desks (BLCS & CMD) have also been reformed under the respective Zonal Customer Services & Complaints Management Cell (ZCS & CMC) in the bank. Each ZCS & CMC and BLCS & CMD is actively working in the bank.

There is a Box named by Complaint Box under lock & key is kept in the following address for the customers who want to make a complaint/dissatisfaction against any services or products of the bank to the CCS & CMC. Any customer can make a complaint using the following address and phone:

Address: Head of Central Customer Services & Complaint Management Cell,
Standard Bank Ltd, Head Office, Islam Chamber (6th floor), 125/A, Motijheel C/A, Dhaka.
Email address : sbcc@standardbankbd.com
Phone: +88 02 9515628, PABX: +88 02 9558375, 9577913, 9578385 (Ext: 117)
Fax: + 88 02 9571314

There are 45 (Forty five) complaints have been received by the CCS & CMC during the period of 01.01.2018 to 31.12.2018 details of which are as under:

SL No.	Complainant	No. of Complaints Received	No. of Complaints Settled	No. of Complaints Unsettled
01	Bangladesh Bank	37	35	2
02	General customer/ Other institutions	8	8	0
Total		45	43	2

- A. 37 Complaints out of the above 45 complaints received from FICSD, Bangladesh Bank, out of which 35 complaints have been resolved.
- B. 08 Complaints out of the above 45 complaints received from General customer/ other institutions other than Bangladesh Bank which are already settled.

477 courses and workshops since its inception in 2005.

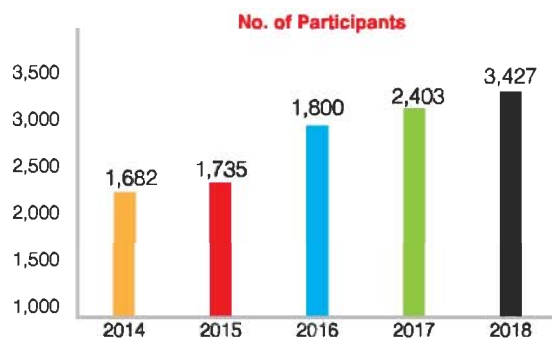
During 2018, SBTI organized training for a total number of 1473 officers and executives through 40 courses and workshops. In 2018, a new dimension of training is open by arranging 'Foundation Course on Banking' for 4 weeks for promoted officers. This training enables the officials comprising Senior Officer and Officer on promotion acquiring comprehensive concept of total banking activities. At the same time 'Advanced Course on Banking' for Executive Officers was imparted. The other important areas of training include Credit Operation & Management, SME, Communicative English in Banking, Money Laundering Prevention, Internal Control & Compliance, Customer Service & Marketing of Bank's Products, Green Banking & ERM, CBS etc. Training Institute also integrates ethical values, integrity, stringent transparency and accountability in all the training programs.

TRAINING, RESEARCH AND DEVELOPMENT

Human Resources are the great assets of an organization. The success or failure of an organisation mainly depends upon how efficiently the human resources of an organization can work. Banking organization is no exception to this. Training is such a weapon, which helps the human resources work effectively, efficiently and smoothly. So, 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), since its inception 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 confer 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 13,484 (cumulative) officers and executives under different branches of training through



Further, 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 2018, a total of 131 executives and officers have been imparted training on different banking areas at different training institutes of the country like BIBM, BBTA, BIM, BAB etc. Further, 12 executives/officials have been facilitated with foreign training.

The category of training areas and number of participants is appended below:

Sl. No.	Category of Training	Frequency	Participants	% of Total
1	Foundation Course	5	160	11%
2	Credit Operation & SF	5	155	11%
3	Advanced Course	3	97	6%
4	ICC	1	30	2%
5	ICT & ISS	10	340	23%
6	AML & CFT	4	168	12%
7	Customer Service	4	130	9%
8	Communicative English	2	53	3%
9	Orientation for TAO/CRO	5	300	20%
10	Islamic Banking	1	40	3%
Total		40	1473	100%

LOOKING FORWARD-2019

Considering the organizational need for capacity enhancement of manpower of the bank in different aspects of modern banking and as a part of converting human resources into human capital as well, the horizon of training has been extended in 2019.

In this backdrop, the training institute has chalked out the comprehensive Annual Training Calendar, 2019 comprising in-house and external (home & abroad) training programs as appended below:

Sl. No.	Category of Training Program	Area of Training	Frequency	Probable Participants
1	In-house Training Program for all categories of officials	<ul style="list-style-type: none"> · GB/Credit/Foreign Trade · IT(CBS), ISS etc. · Soft Skill 	65	2600
2	External Training Program (Home)	<ul style="list-style-type: none"> · Credit/Foreign Trade/IT · Soft Skill 	As available	120
3	External Training Program (Abroad)	<ul style="list-style-type: none"> · Credit/Foreign Trade/IT · Soft Skill 	As available	10

In 2019, with accomplishing general goals, training institute aims at achieving the following exclusive objectives:

- I. To enhance managerial competence of existing branch managers by conducting the workshop on management skill development;
- II. To enhance skills of the officials for regulatory compliance ;
- III. To impart comprehensive Foundation course for promoted officer (SO/Officer);
- IV. To impart advanced course on banking for SEO to SVP in category level-1, level-2 & level-3;
- V. to conduct workshop on Credit , Foreign Exchange to grow efficiency of the officials.

INFORMATION TECHNOLOGY

Technology and digital initiatives remain an integral part of Bank's strategy with a core focus on enhancing customer experience and efficiency in processes. 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 started Internet Banking, ATM network, POS, KIOSK, Mobile Apps, Agent Banking, SMS notification etc.

In 2018 a good enhancement is done in our core banking system. These will ensure more secured and controlled banking in our bank. Much new functionalities are added and many requirements are fulfilled.

In 2018 Titas Gas and Karnaphuli Gas Online bill collection system is implemented. Previously implemented WASA, DPDC, BRTA, BTCL, DESCO, eTendering & Hajj online fee/bill collection system running successfully.

In 2018 Nine new branches are added in our bank and running smoothly. To comply with the regulatory compliances and secured banking, we have implemented Email Security system (ESA), Intrusion protection System (IPS) and Intrusion Detection System (IDS) in our bank.

Use of SBL Corporate email for all employees of our bank is flourished as digital paperless communication and green banking initiatives. We have configured different email groups for different purposes such as, ALL, Loss Branch, TOP20 Branch, Midrange branch etc.

We have already planning and/or started implementing LMS (Learning Management System), IT Training Lab, Contact center, Business Intelligence etc. IT enabled/automated projects.

In 2018 we have migrated to new IT infrastructure with secured & reliable process. Our Disaster Recovery Center is operational at our DR site (Uttara). Banking operation is smoother now and customer service is improved.

TREASURY OPERATION

In the backdrop of ever changing regulations and market volatility: the Treasury Division has been at the heart of all major banks and financial institutions, where starting from the Liquidity risk to overall Balance sheet Risks are managed. One of the main functions of Treasury Division is to control and manage the bank's liquidity and to make sure that all parts of the bank can readily access the cash they need for their business activities. By doing so, it makes sure that the bank remains financially secure, stable and able to function effectively to help clients.

Standard Bank Treasury primarily focuses on the followings:

1. Expanding transaction volume
2. Utilizing different market opportunities within all risk and regulatory limits
3. Strengthening ALM operations
4. Creating a diversified fund management channel
5. Minimize market, liquidity and interest rate risks and finally
6. Enhancing profitability

Standard Bank Treasury has the following desks through which it offers a complete and well diversified package of Treasury solution to its customers both in the inter-bank and corporate market.

HOW WAS 2018?

Onset of a much awaited strong pick up in domestic investment and output activities came about in 2018, underpinned by substantial easing of infrastructure constraints, robust domestic demand and broad based pick up in global output growth. Taka liquidity overhang from FY18 largely served the purpose of meeting the monetary demand from increased economic activity, keeping domestic credit growth at 14.6 percent, in line with the 15.8 percent H1 FY18-19 program target, even with private sector credit growth of 18.1 percent, substantially overshooting the 16.2 percent H1 FY18 program target. Decline in government's bank borrowing (due to high net sales of non-bank National Savings Certificates) helped ease pressure on banking system liquidity, besides moderating reserve money growth and its inflationary impact. Net foreign asset (NFA) growth (0.5 percent at Taka/USD exchange rate as of end FY17) trailed far below H1 FY17-18 target of 7.0 percent, with a sharp rise in imports driving current accounts into a deficit, triggering forex reserve depletion and taka depreciation.

In terms of output and price objectives, strong domestic and external demand, with support from robust private sector credit growth, helped the economy to grow by 7.65 percent in FY-18, over performing the Government's growth target of 7.4 percent. Higher global commodity prices and weather-related shocks raised inflation to above 7 percent in June 2018. Overall CPI inflation (Twelve month average) was at 5.78 percent, slightly above the target of 5.5 percent, but less than the pick-up in inflation in advanced and emerging market economies by 0.4-0.5 during the same period.

OUTLOOK OF 2019

Political uncertainty looming over national election can affect private investment, rising food inflation, being on track with respect to SDGs, challenge of growth of exports and remittance, containing monetary growth-driven inflationary pressure, protecting external sector balance of payment (BOP) sustainability and finally governance issues around the banking sector are the challenges for the Bangladeshi economy in 2019.

Considering these challenges, Bangladesh Bank's monetary and financial policies embrace price and macro-financial stability objectives as well as inclusivity and environmental sustainability dimensions in pursuit of employment creation focused inclusive growth.

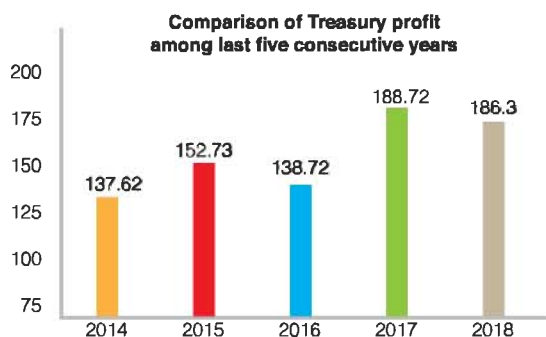
In the near term context of domestic and global inflation outlook, H2 FY18 monetary program retains domestic credit growth ceiling unchanged at 15.8 percent, adequate to accommodate the targeted 7.4 percent real GDP growth and up to 6.0 percent annual average CPI inflation. Continuing negative trend of government's bank borrowing is projected to leave room for higher

16.8 percent FY18 private sector credit growth, against previous projection of 16.3 percent. Net Foreign Assets (NFA) growth, driven down to 0.5 percent in H1 FY18 by high import growth driven current account deficit, is projected to decline further to 0.1 percent in H2 FY18, even with a substantial moderation in import growth. Reserve Money growth and its attendant inflationary impact will remain moderate in H2 FY 18, aided by the government's negative or low bank borrowing.

TREASURY PERFORMANCE IN 2018

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 2018 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 Foreign Currencies. We have a superb Treasury Team working for prudent fund management with excellence in performance and skill. During the Year 2018 income from the Treasury was Tk.186.30 Crore.

Comparison of Treasury profit among last five consecutive years.



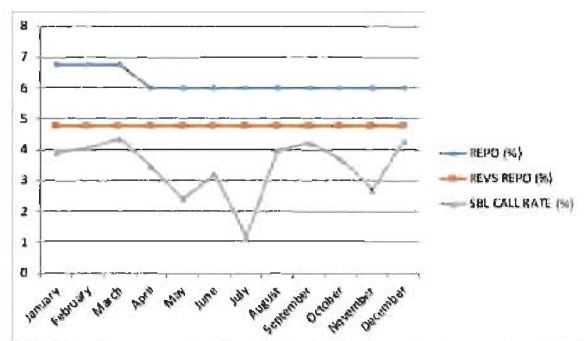
STANDARD BANK MONEY MARKET DESK

All through 2018 the interbank money market experienced a mixed scenario. Very first of the year market was tightened, then start being liquid but at the end market was again tightened. Money market faced huge stretched at the end of second half of 2018. Call money rate hovered around 0.22%-5.00% for most of the year 2018. Alike the previous years, Standard Bank Money Market Desk was very active in the money market all through the year 2018. Though almost the whole year SBL was in borrowing because of reducing the cost of fund, income from Call Money by MM Desk in 2018 was BDT 0.57 crore compared to BDT 2.75 crore of 2017 and expenditure was BDT 4.51 crore compared to BDT 1.48 crore of 2017.

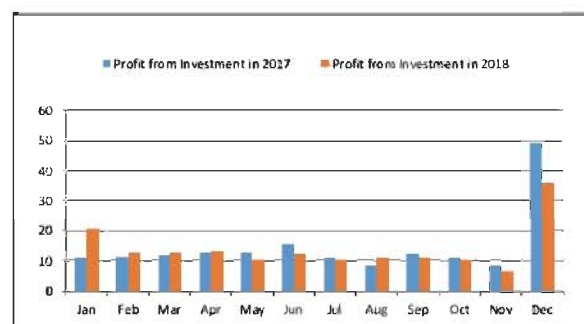
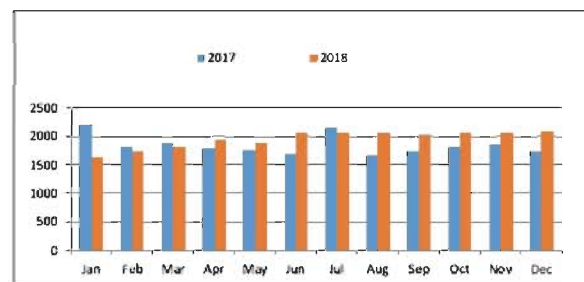
STANDARD BANK SECURITIES & FIXED INCOME DESK

In 2018, Standard bank securities desk is active mainly government securities dealing in both primary and secondary market and it also invest in sub-ordinated bonds of other banks. The Securities Investment Committee takes investment decision and review the performance of the portfolio. Types of trade of government securities i.e. Treasury Bills (14 Days, 91 Days, 182 Days, 364 Days), Treasury Bonds (2 years, 5 years, 10 years, 15 years, 20 years) and Bangladesh Bank Bills (7 Days, 14 Days & 30 Days) for bank and non-bank customers. By the end of 2018, our team positioned itself as one of the most promising member among the banks in secondary trading of government securities. At the end of 2018, our total portfolio was BDT 2068.82 Cr compared to 2017 BDT 1737.27 Cr.

Month wise investment (in Crore Tk) of Govt. Securities between 2017 & 2018



Month wise net profit from investment (in Crore Tk) of Govt. Securities between 2017 & 2018



FOREIGN EXCHANGE (FX) DESK:

Through our FX desk our dealers have explored proprietary FX trading (mainly in USD, GBP, EURO, JPY and AUD) 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.

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 one of the best treasury team in the market by 2019.

ASSET LIABILITY MANAGEMENT (ALM) DESK

We have separate ALM desk under Treasury division which supplies market information and analysis to Asset Liability Management Committee (ALCO) for taking strategic decisions. ALCO, which meets at least once in a month, is responsible for managing balance sheet compositions to increase efficiency, manage liquidity & interest rate risks and maximize returns.

The ALCO formed with the following members-

1	MD & CEO	Chairperson
2	AMD	Member
3	DMD	Member
4	Head of CRM	Member
5	Head of Credit	Member
6	Head of BMOD	Member
7	Head of ID	Member
8	Head of FAD	Member
9	Head of SME	Member
10	Head of IBW	Member
11	Head of RMD	Member
12	Head of Treasury	Member Secretary

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

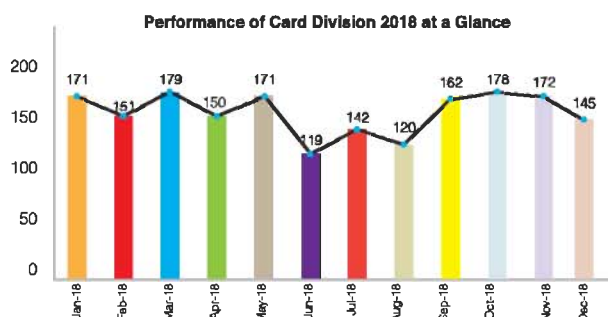
direction to fulfill the mission and vision of the bank. Proper recruitment policy lays the solid foundation for establishment of an institution at the initial stage and sustainable growth in future. The division has been performing the job of recruitment from the very inception of the institution maintaining 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 2386 as on December end 2018. Out of them male employees and female employees are 2076 and 310 respectively. They are relentlessly working in a team with a vision to serve the bank with devotion and dedication to uphold its glorious image. Details discussion in the 'HR Capital Report' and 'HR Accounting'.

CARD OPERATIONS

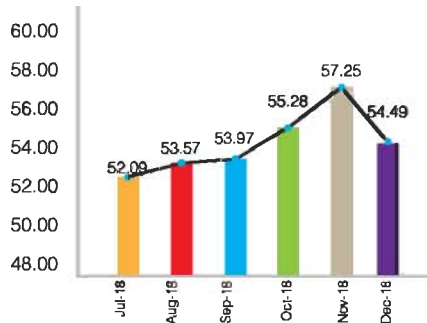
Standard Bank Limited is performing well in fiercely competitive Card business industry, dominated by few large private and multinational banks. From the very beginning, it has successfully created its own brand image to penetrate into its target/preferred business segment, ensuring quality portfolio & sound revenue generation. SBL's strong IT base and professional business team is quite committed to deliver quality pre-sale & post sales services, client convenience, additional value added secured services and created a satisfied client base through small volume -but growing at an accelerated rate.

There are 59 Banks operating card business in the country. According to the central bank, about 13 million plastic cards were issued where the number of debit card, credit card and pre-paid card were about 12 million, 1 million and 0.15 million respectively. Debit card takes the major portion, about 91%, while leaving 7% and 1% for credit card and pre-paid card respectively.

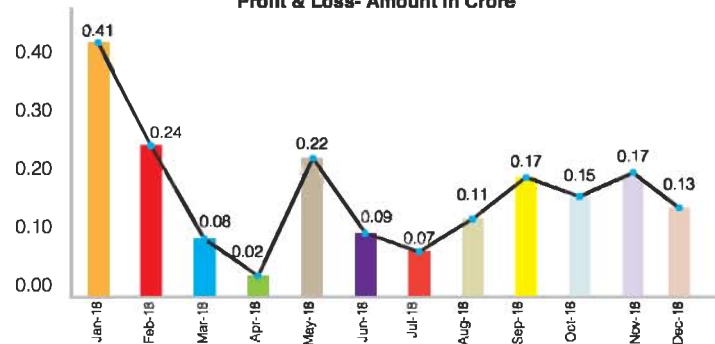
Performance of Card Division 2018 at a glance:



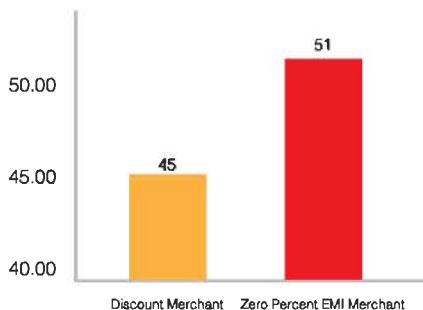
Advance Amount in Crore



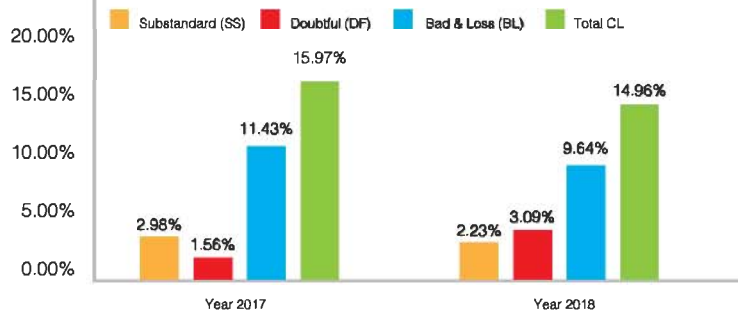
Profit & Loss- Amount in Crore



Merchant Alliance



Classification - Year 2017 & 2018



| ABOUT STANDARD BANK LIMITED |

Achievements-2018

Card Division successfully completed the year 2018 with significant achievements. The business Team achieved significant growth in issuing Cards. By the end of 2018, Card Division acquired 1,800 Visa Platinum and Gold Credit Card. Credit Card outstanding was raised to BDT 58 Crore over the year 2018. Furthermore, recovery team shows a remarkable achievement than preceding year considering card market scenario which depicts professionalism on the part of Card Business and prudent card approval process.

24/7 Customer Service

Happy customers are more likely to be loyal customers than unhappy ones. Our 24/7 customer service paves the way to increase customers' loyalty by making them consistently happy with round-the-clock accessibility. As a result, Card business possesses a positive reputation of being compassionate towards customers, through professionalism and reliability.

Addition of Alliance Partners

In a competitive marketplace where businesses compete for customers; customer satisfaction is seen as a key differentiator. To increase customer loyalty Card Division is initiating Discount and EMI partners. There are 96 plus alliance partners Card Division has added to its alliance

partners list. This is a continuous process and gradually this number will increase.

Complementary Lounge Facility

Relax in style at the Intercontinental Dhaka Balaka Executive Lounge at Dhaka airport. Standard Bank Platinum - Primary and Supplementary Cardholders are now enjoying complementary lounge facilities round the year.

Card Business Target-2019

Maximization of income & minimization of expense without compromising quality & efficiency will be our main card business target. Card is setting a target of achieving the double figure of Credit Card number than the year from 2018 which is 4,000 with the combine effort of Branch Managers and employees of the SBL.

Introducing Visa contactless Card

A contactless smart card is a contactless credential whose dimensions are credit-card size. Its embedded integrated circuits can store (and sometimes process) data and communicate with a terminal via NFC. Common place uses include restaurants, transit tickets, bank cards and passports. Standard Bank Card Division is going to introduce Visa Contactless Credit card which is more convenient to use.

Card Payment through BFTN

Credit card outstanding payment through BFTN is not a new concept in our country. Many banks are already accepting their credit card payment via BFTN to its valuable cardholders. SBL card Division is working on it and with the help of IT Division, hopefully we can implement it in the coming days.

Discount and EMI Merchant Alliance

Card Division is continuously increasing the number of Alliance business partners and signing with different corporate houses, large merchant establishments including Fashion & Lifestyle, Restaurants, Hotel & Resorts, Health & Beauty care etc. Card Division will incorporate additional 100 plus Discount and EMI merchants with the existing Alliance partners.

Customer loyalty Programs

Customer loyalty programs are very effective when it comes to retaining customers. Customers join loyalty programs because: they want to save money and receive rewards. Reward points are those which a user can collect following each purchase that they make payment with their credit card. As it usually goes, higher value purchases will earn you more points than smaller value purchases.

Cash Back Offer

Cash back programs will offer potential benefits for consumers using all kinds of debit and credit cards. Card companies offer cash back programs to encourage increased card use and induce customers to switch out of credit cards those do not have reward programs.

ADC DEPARTMENT

Alternate Delivery Channels are channels and methods for providing banking services directly to the customers where they can perform banking transactions through ATM, Branch POS, Debit Card, NPSB, DigiBanking, Internet Banking, and SMS Banking. These channels have enabled the bank to reach a wide consumer-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.

(i) Banking through ATM

Standard Bank Limited has a well distributed ATM network across Bangladesh. SBL has already installed 103 ATMs at different locations of Bangladesh. SBL ATMs feature the latest in 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.

No. of ATM installation:

Year	2017	2018	Growth
Total no. of ATM till the period	67	103	157%
No. of ATM installation during the period	14	36	

ATM Transaction:

The below statistics provide the no. of transactions occurred in our ATM during the year 2017 and 2018.

Particulars	2017	2018	Growth
Total No. of Transactions at SBL ATMs	277003	385461	39%
Total Cash Withdrawal Amount at SBL ATMs	Tk. 222,93,50,500.00	Tk. 313,23,93,500.00	41%
Total No. of Transactions (SBL Card at SBL ATMs)	165057	233540	41%
Total Cash Withdrawal Amount (SBL Card at SBL ATMs)	Tk. 138,98,65,500.00	Tk. 198,21,03,000.00	43%
Total No. of Transactions (NPSB Cards at SBL ATMs)	111946	151921	36%
Total Cash Withdrawal Amount (NPSB Cards at SBL ATMs)	Tk. 83,94,85,000.00	Tk. 115,02,90,500.00	37%

(ii) Debit Card

SBL current/ saving account holders can enjoy the benefit of SBL Debit Card. It is a proprietary Debit card which can be used at SBL Owned ATM/POS Network & National Payment Switch of Bangladesh (NPSB) Network.

Jan'17	Feb'17	Mar'17	Apr'17	May'17	Jun'17	Jul'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Total (2017)
1169	952	1007	918	856	410	747	828	604	871	1332	1265	10959
Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Total (2018)
1548	1263	1217	1474	1574	1757	2303	1854	2276	2239	2012	2023	21540

Particulars	As on 31 st Dec' 2017	As on 31 st Dec' 2018	Growth	Total Active Card : 32102 Total Inactive Card : 15074 Hot/Block Card : 2543
Total No. of Debit Card	28179	49719	97%	

Income from Debit Card:

Year	2017	2018	Growth
Income from Debit Card (excluding VAT)	6,715,000	7,988,225	19%

(iii) National Payment Switch Bangladesh (NPSB)

Standard Bank Limited is successfully connected with National payment System Bangladesh (NPSB). Now customers of SBL have access over 9500+ ATM networks as well as 28000+ POS networks allowing ATM transactions (Cash Withdrawal, Mini Statement and Balance Inquiry) and POS retail purchase service.

NPSB Transaction Report (ATM & Retail Purchase)				
SBL Card at NPSB ATMs	Particulars	2017	2018	Growth
	No. of Transactions	140,058	204,154	46%
	Amount of Transactions	Tk. 104,02,81,100.00	Tk. 152,79,94,100.00	47%
NPSB Retail Purchase	Particulars	2017	2018	Growth
	No. of Transaction	10194	15990	57%
	Amount of Transaction	Tk. 3,36,50,305.88	Tk. 4,85,97,903.65	44%

Below is the revenue growth rate of NPS transaction between 2017 & 2018

Revenue from NPSB Network (ATM & Retail Purchase)			
Particulars	2017	2018	Growth
Total Income from SBL ATM using NPSB Card	Tk. 19,76,685.00	Tk. 27,66,540.00	40%
NPSB Retail Purchase Income	Tk. 2,54,606.10	Tk. 4,06,699.59	60%

(iv) Branch POS

SBL already deployed 123 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. Below is the statistics of the transactions occurred in our Branch POS during the year 2017 and 2018:

Branch POS Transaction Report			
Particulars	2017	2018	Growth
No. of Transactions	56697	87471	54%
Amount of Transactions	Tk. 99,90,62,518.11	Tk. 198,09,45,173.00	98%

(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. Below is the statistics of No of SMS transaction and earned revenue comparison of 2017 & 2018:

Year	Total No Of Customer	Income from Service Charge (excluding VAT)
2017	350211	Tk. 3,55,88,000.00
2018	436786	Tk. 4,31,88,400.00
Growth	25%	21%

(vi) Internet Banking

We already started technology based 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. We have integrated a new service Mobile Recharge in the year of 2018.

Year	Total No. of A/Cs (till the period)	Income from Service Charge (excluding VAT)
2017	7348	Tk. 2,56,600
2018	8663	Tk. 2,86,000
Growth	18%	11%

Particulars	2017	2018	Growth
No. of Transactions	1710	1789	5%
Amount of Transactions	Tk. 2,90,16,320.00	Tk. 3,58,62,849.00	24%

(vii) SBL DigiBanking

SBL DigiBanking is latest product of ADC Department. With this SBL DigiBanking App, customer can do banking at anytime from anywhere in the globe. By DigiBanking, our customer can perform Fund Transfer to any SBL Account, Other Bank Account, Pay their Credit Card Bill, WASA Bill and can perform Mobile Recharge anytime and from anywhere. Apart from this, anyone can identify the contact details of our branch, can call Branch Manager, can apply for different products & services, can identify benefits & EMI facilities offered by SBL Credit Card and locate any Branch, ATM, Agent locations etc.

Particulars	2018
Total No. of Customers in Mobile Apps in DigiBanking	1,207
No. of SBL Account Fund Transfer by DigiBanking	3,341
Total Amount of SBL Account Fund Transfer by DigiBanking	4,59,92,573.00
No. of Other Bank Fund Transfer by DigiBanking	2,156
Total Amount of Other Bank Fund Transfer by DigiBanking	2,15,53,153.00
No. of Mobile Recharge by DigiBanking	14,627
Total Amount of Mobile Recharge by DigiBanking	15,20,927.00
Mobile Recharge Income by DigiBanking	Tk. 17,323.13
No. of WASA Bill Payment by DigiBanking	12
Amount of WASA Bill Payment by DigiBanking	11044.00
No. of Card Bill Payment by DigiBanking	1,001
Amount of Card Bill Payment by DigiBanking	2,02,61,051.00
Income from Service Charge (excluding VAT)	Tk. 35,420.00

PLANNING FOR 2019:

- ATM Security & EMV Chip Card:**

By the year 2019, 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, PIN shield and anti malware protection at all ATMs of SBL.
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 integrate value added services such as Merchant POS, E-wallet, Card-less ATM transaction and Recycler ATM services with real time cash deposits.

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 adapting state of art technology in order to satisfy the needs of our clients at an optimum level.

AGENT BANKING

Introduction: Bangladesh is one of the most densely populated countries of the world with a population of 160 million and 85% of populations are in rural areas. Although they are part of the economy but dispersed due to geographic isolation and presently are outside formal banking network. 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 without establishing a branch network.

Bangladesh Bank initiatives: 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 and revised guideline vide BRPD circular no-14, dated-18 September 2017.

Standard Bank initiatives: Under the Bangladesh Bank permission vide letter No. BRPD(P-3)745(43)/2015-4907 date-30th June 2015, our bank has started operation of Agent Banking in the year 2016. Under the pilot phase of operation approved by Bangladesh Bank, we were allowed to open 09(Nine) Agent Outlets in the pilot phase of operation and those are already in operation. For expansion of our service network, Bangladesh Bank has again given us permission to open additional 50(Fifty) Agent Outlets. As of 31st December 2018, we have been providing agent banking services through 22(Twenty Two) Agent Outlets throughout the country.

Present position of our Agent Banking performance up to 31-12-2018 is furnished below:

No. of Agent Outlet In operation	Total No of A/C	Total Deposit	Operating profit In 2018	F.Remittance Disbursed In 2018	Collection of Utility Bill In 2018
22	8445	1207.87 Lac	46.64 Lac	1931.69 Lac	373.91 Lac



Mr. Kamal Mostafa Chowdhury, Honorable Director of Standard Bank Limited formally opened SBL Mosharraf Ali Miah Bazar Agent Outlet on 22-04-2018. Mr. Md. Zahedul Hoque-Director, Standard Bank Limited, Mr. Mamun-Ur-Rashid, Managing Director of Standard Bank Limited, Mr. Md.Rezaur Rahman AVP & Head of Agent Banking Division, Mr. Mohammed Abdur Rashid-Agent-SBL Mosharraf Ali Miah Bazar Agent Outlet & local renowned persons were also present.

AGENT BANKING PRODUCT & SERVICES:

Standard Bank Agent Banking provides almost all types of Banking services including opening of different types of customer deposit accounts, online fund transfer & EFTN, Foreign remittance payment, Utility bill collection, School Banking & SBL 10Taka Account, Disbursement of salary & allowances of Govt social safety net programme.

Growth of Standard Bank Agent Banking in the year 2016-2018 is shown in chart below:

CONCLUSION:

Standard Bank Limited believes that large rural economy outside the banking net cannot be ignored & Agent Banking will provide the future banking platform for those people, not limited to customer services but shall explore the hidden rural economy, will usher a new era in banking through inclusion of rural people. Agent Banking will provide the opportunity to connect huge number of rural un-banked population under the Standard Bank umbrella, who are presently outside the banking network.



SBL Opens Agent Outlet at Atipara Bazar, Dakkhin Khan, Dhaka

CREDIT RISK MANAGEMENT

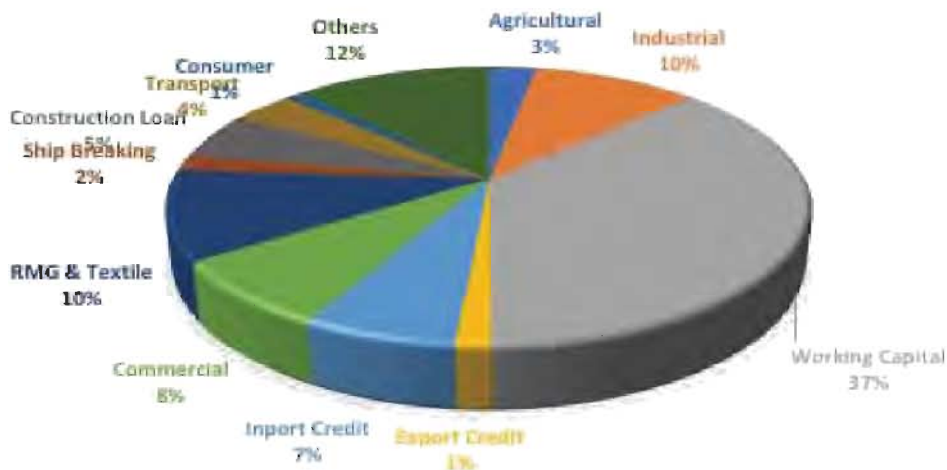
Credit Division

In a fast-growing economy of Bangladesh, Standard Bank Limited (SBL) is contributing immensely by providing customized services to the entrepreneurs to ensure growth of the firm and ultimately GDP growth of the country. SBL has a well-equipped Credit Division to serve its 134 no of Branches by approving credit facilities to the borrowers complying Bank's internal policy as well as Bangladesh Bank's policy, guidelines and directives.

Sector wise Loans and advances as on year end position of 2018: -

Business Sector	Loans And Advances	Percentage
Agricultural Loan	412.07	2.87%
Industrial Loan	1,443.91	10.05%
Working Capital Loan	5,314.71	36.98%
Export Credit	212.17	1.48%
Import Credit	937.92	6.53%
Commercial Loan	1,126.38	7.84%
RMG & Textile	1,505.15	10.47%
Ship Building And Ship Breaking	240.90	1.68%
Construction Loan	770.82	5.36%
Transport And Communication Loan	546.57	3.80%
Consumer Credit	153.11	1.07%
Others	1,709.34	11.89%
Total	14,373.05	100%

SECTOR WISE LOAN PORTFOLIO



Standard Bank is known for its superior service quality, brand image, strong corporate governance and corporate culture. The Bank is putting utmost effort to place them in a list of top-tier Bank in Bangladesh and reputed among regulators as distinctly Compliant Bank. SBL is aligned to its vision, mission, values and strategic priorities.

The last business year 2018 was challenging for the

banking business due to liquidity crisis, volatile interest rate etc. Despite SBL has a growth in Loans and Advances 13.94%. Standard Bank has built on its expertise in a wide area of financial services and today its range of services includes corporate, SME and Retail financing, commercial banking, investment banking, merchant banking, Islamic banking, offshore banking, securities trading, lease financing and digital banking.

Geographic Distribution of Loans and advances as on year end position of 2018: -

Geographic Area	Loans and Advances	Percentage
Dhaka	9896.48	68.85%
Chattogram	2504.12	17.42%
Rajshahi	555.84	3.87%
Sylhet	54.77	0.38%
Khulna	719.14	5.00%
Rangpur	555.6	3.87%
Barisal	39.22	0.27%
Mymensingh	47.88	0.33%
Total	14373.05	100%

Geographically Loan Distribution



RMG FINANCING CELL

SBL also has an equipped RMG financing cell. They look after Bank's Ready Made Garments sector financing. SBL always brings innovation in the table in terms of portfolio diversification and tailors making loan products that meet up customers' need comprehensively. SBL Credit Division is not only focused on dominating industry sectors but also put its efforts towards exploring possible lending prospects in emerging industry sectors.

SBL puts emphasis on financial inclusion and strives to achieve excellence in this venture. At SBL, we believe in teamwork and create success stories for our stakeholders. With all these team work, innovative banking and diversified portfolio we only foresee growth of the bank in the coming years. We are always thankful to all our stakeholders for keeping trust on us.

Export and Import performance in the year 2018:-

Amount in Crore Tk.

Export/Import	Total Amount
Export	5188.43
Import	7446.42

CREDIT RISK MITIGATION

Risk is inherent part of all types of business. In banking business credit risk is considered as most significant risk thus Standard Bank is stretching a significant concentration on mitigation of credit risk. Credit risk can be defined as the possibility that a borrower will fail to meet their obligations in accordance with the agreed terms and conditions of sanction term. Banks are heavily engaged in credit risk and it considered as hardest part of banking to assess the risk and mitigate the risk proactively to maintain healthy balance sheet and ensure sustainable profitability for the shareholders.

In Standard Bank, Credit Division is playing among others the following major activities:

Assessing risks inherent in the credit proposal with due diligence i.e.:

- Identification of credit risk
- Ways out of risk mitigation
- Assessment of credit requirement
- Evaluate proposed facility pricing
- Monitoring of credit portfolio through review to ensure sound asset quality.
- Communicating the decision of the competent authority of the Bank regarding credit proposals and issuing Sanction Advice.
- Complying issues with internal & external regulatory authorities

In terms of ensuring compliance, Credit division has satisfactorily complied with the Bangladesh Banks audit findings and related guidelines in 2018 which will have direct impact on CAMELS rating.

Last year as per directives of the Board, Credit Division has started to formulate and modified various policies like RMG Policy, Scrap Iron Financing Policy, including modification in Delegation of Business Power (DBP) of the Bank to make the approval process smooth and business friendly which will be placed to the competent authority for approval in 2019 to bring the dynamism in bank's financing strategies. Hopefully, this will help more effectively to maintain sound credit portfolio of the Bank and to reduce non-performing loan ratio. Finally, it is expected that as a part of continuous up gradation, Credit Division will actively and pro-actively act to up hold the position of the Bank complying with the rules and regulations.

SME SECTOR IN BANGLADESH:

Small and medium enterprises (SMEs) are the most important segment of any economy in the world. SMEs are getting the highest priority from policymakers due to their already proven multidimensional contribution to the socioeconomic environment of a country. These enterprises are easy to start, require only minimum capital, employ a comparatively higher number of people, and produce goods that meet local demands as well as contribute to export earnings. Definition of SMEs is based mainly on indicators of replacement cost (invested amount), number of people employed, yearly revenue, etc. Size of the indicators varies based on the socioeconomic condition of the country or even the region.. Bangladesh government has already identified it as a thrust sector and Bangladesh Bank, in line with the stance, has given top priority for financing in this sector. Government of Bangladesh has realized that the SMEs sector is labor intensive sector, so it is the poverty alleviation tools. SME reduces the urban migration and develops the rural infrastructure. Since SMEs are based on comparatively small investment, so their growth and survival depends on ease access and operating excellence in the market, financial support from the Bank with easy condition. Now, Women entrepreneurs are highly stimulated to get involved in SMEs sector. In this above backdrop, Bangladesh Bank provides re-financing scheme and gives necessary instruction and guideline to the commercial Bank to keep the women entrepreneur dedicated desk. Besides, SME Foundation is providing necessary guideline, training and financial supports.

Contribution of SME Towards Economic Development:

SMEs have the huge potential to alleviate poverty in Bangladesh by nursing this sector properly. Today, SME remains the engine of economic growth and considering the population of the country. About 99 percent of Bangladeshi formal business enterprises are SMEs. They constitute about 75 percent of non-agricultural employment and contribute about 25 percent to the national GDP. This 25 percent is contributed by only the

manufacturing SMEs. However, this amount could in fact be much higher if the contribution of service sector SMEs could be calculated. Till now there has been little data available on service sector SMEs of Bangladesh, even though this sector contributes around 56.34 percent to the GDP, making it the largest contributor. SMEs offer large scale employment and income generation opportunities at comparatively low costs & slight investment especially in the remote areas. The employment statistics indicates that women in the rural sector are either self employed or employed in family based enterprise that includes both agriculture & non-agriculture sectors.

Role of Standard Bank Ltd on SME:

Since beginning, Standard Bank Ltd now has been rendering banking services by 134 branches along with 2 Islamic branches all over the country through improved customer service, creative activities & commercial integrity equipped with all modern services. 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 SMEs Division for maintaining full scale operation of SME financing activities. All of our branches are now ready to serve any SME customers through dedicated and well trained SME officers.

Performance of Standard Bank Ltd at a Glance:

SME Division of Standard Bank Limited has already assigned dedicated SME officers all of the branches to have greater access to market and to unleash the potential. SME division distributional channels are shelving all possible banking solution to SME customers across the country. All branches have been advised to take all necessary action to expand credit to the SME sector with priority to women entrepreneurs. A yearly target of Tk. 1330.00 Crore has been set up for the year 2018 and communicated to the branches. Branches have been disbursed Tk. 1624.85 Crore under SME sector during 2018 while the it was Tk. 1387.97 Crore up to December 2017.

Comparative Business Performance on SME financing up to 31.12.2018 are appended below:

(Fig in Crore)

Enterprise	Disbursement during the year			Yearly Target			Achievement (%)	Outstanding as on 31.12.2017	Outstanding as on 31.12.2018
	2016	2017	2018	2016	2017	2018	2018		
Small	475.89	705.33	813.43	363.00	461.98	665	122.32 %	848.33	1731.29
Medium	184.15	682.64	811.42	462.00	588.02	665	122.02 %	1270.96	1154.19
Total	660.04	1387.97	1624.85	825.00	1050	1330	122.17 %	2119.29	2885.48

Graphical representation of SME Financing (comparative

03 years) are appended below:

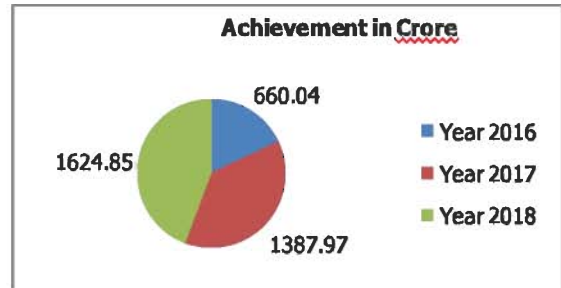
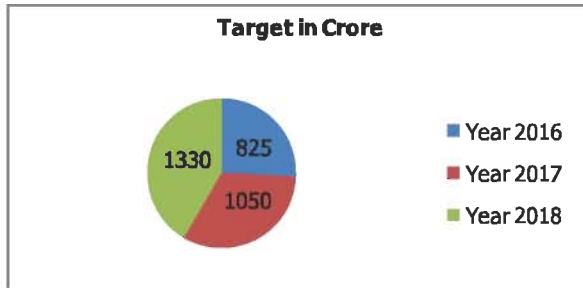


Fig: Target in last 3 years

Fig: Achievement in last 3 years

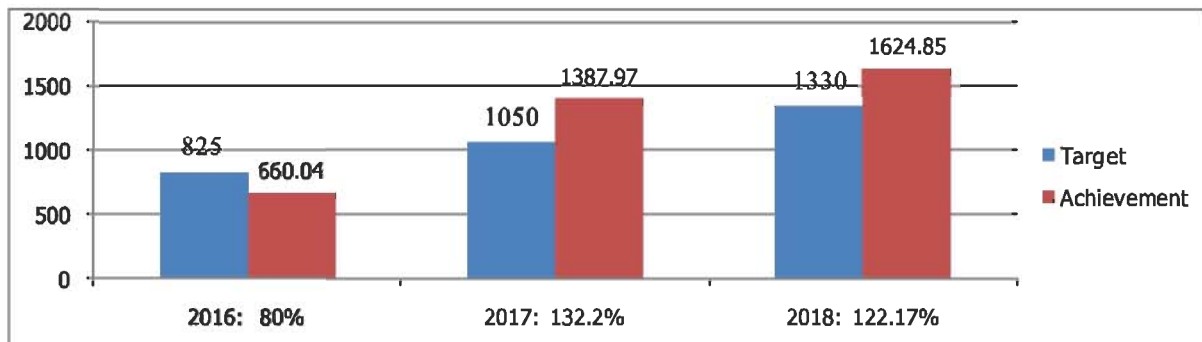


Fig: SME Financing(Comparative 03 years)

Women Entrepreneur Desk:

As per Bangladesh Bank guideline, a Women Entrepreneur's Dedicated Unit has been set up at Head Office and Branches have already been opened a Women Entrepreneur's Dedicated Desk to help Women Entrepreneur to make friendly relationship with them, help them to fulfill formalities and render them special service. We are lending Women Entrepreneurs @ 10% interest against refinance facility from Bangladesh Bank as per policy guideline of Bangladesh Bank.

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 to get refinance against disbursed loan to support Small & Medium sized manufacturing enterprises. So far we have received Tk. 14.24 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.

Challenges of SME in Bangladesh:

There are some obstacles in the way of development of SME in Bangladesh. They are shown below:



Fig: Challenges of SME in Bangladesh

Women Entrepreneur In SME Sector In Bangladesh:

Development of Bangladesh economic condition based on not only contribution of Men but also intensive contribution of women in different sector. Equal economic development in the country is not possible without equal participation of the women. In Bangladesh, there is 49.93% female population in respect to the total population and total dependency ratio is 52.50% where Youth dependency ratio is 44.90% and elderly dependency ratio is 7.60%. The act of Entrepreneurship is very important driver of economic development and standard of living. Improvement of women entrepreneurs in Bangladesh is equally important as women incur half of the countries work force. But the participation of women entrepreneur into the business is very few likely 3 to 5 percent. So this mentionable portion of potential human resources are lying unemployed which need to utilize to increase productivity in Bangladesh. They have latent demand to do something innovative and desire to participate in some potential sector and eager to innovate in business sector but they didn't get proper assistance & motivation from their reference group.

SME Events and Fairs Participated by Standard Bank Limited up to 2018:

1. Banker-SME Nari Uddogta Somabesh & Ponya Prodorshoni-2018 organized by BB which was held on 08-10 March at Bangladesh Shishu Academy.
2. Banker-SME Nari Uddogta Somabesh & Ponya Prodorshoni-2017 organized by BB which was held on 06-11 March'2017 at Bangladesh Mohila Somity, Baily Road, Dhaka.
3. "2nd SME Banking Match Making Fair" of 9th International Women's SME Expo Bangladesh-2015 organized by Chittagong Women Chamber of Commerce & Industry (CWCCI).
4. SME entrepreneurs-Bankers fair arranged by SME Foundation & Bangladesh Bank at Hotel Sonargaon.
5. Conference of Women Entrepreneur and 04 (Four) days Product Exhibition - 2016 organized by Bangladesh Bank, Head Office, SME & Special Programs Department which was held on 09-12 March'2016 in cooperation with the Banks and NBFIS at BBTA.

Concluding Remarks:

Nowadays, SME considers as the engine of economic growth by offering large-scale employment and income earning opportunities at relatively low costs, especially in the rural areas. It also strengthens the economic growth in sustainable way which is precondition for alleviating poverty and standard of living. The significance of

the SMEs is that it helps to explore opportunity to do something new with relatively low investment. It can help to create employment opportunities and continuously contribute to GDP. The emergence of the SMEs in the developed world makes economic case for fostering development of these industries. Considering significant contribution of SMEs on overall growth and sustainable economic development. Private Banks like Standard Bank Ltd are playing a major role in the development of SME sector.

LAW & RECOVERY

As per Bangladesh Bank Guidelines, the loans after being classified, Law & Recovery Division starts follow-up and gives proper treatment/advice to the Branch regularly for realization/regularization of the loans. Besides this, Law & Recovery Division always monitor the suits filed by the Bank against the defaulter 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 time to time.

Action taken for Recovery of Classified, Written-off, Rescheduled & Overdue Loans and Advances:

- I. 03 (three) Regional Offices has been formed in Chittagong, Khulna and Sylhet where our Officials vigorously trying to recover Bank dues from NPL & Written-off Loans.
- II. Law & Recovery Cell has been formed in Regional Offices and Officials have been deployed there. Recovery Team has been formed in each and every Branch of our Bank.
- III. Officials have been increased in Law & Recovery Division of Head Office.
- IV. Recovery Target has been set up among the Officials of Branches, Regional Offices and Head Office level and instruction have been given to Branches so that no new loan becomes classified.
- V. NPL has been allocated for recovery among the Senior Executives of Head Office. They are vigorously monitoring the NPLs for recovery.
- VI. Regular Recovery Drive by Head Office Executives to the Branches is going on.
- VII. Arrange meeting in regular basis with defaulter borrowers in Head Office and all out efforts is going on for recovery.
- VIII. Phone call to the Branch Manager as well as Borrowers and Guarantors.
- IX. Issuance of letters to Branch and Borrowers followed by timely reminder.
- X. From Law & Recovery Division our Officer regularly visit Branches for proper follow up & verify documents for large loans at the time of disbursement.

- XI. Visit the borrower's business and residential address along with Branch Officials for recovery drive and taking action accordingly.
- XII. Visit the Guarantor's/Mortgagor's business and residential addresses even on holidays along with Branch representative for persuasion.
- XIII. Visit the collateral security, verification of genuineness as well as Market Sale Values of the same and ensure hanging Signboard thereto.
- XIV. Visit Borrower's close relatives/friends requesting them to exert their influences on the borrower to repay the bank loan/liability.
- XV. Initiatives have been taken for arranging training of Branch Manager & Case dealing Officers for recovery and quick settlement of Cases.
- XVI. Monitoring of Case/Suit has been strengthening for quick settlement and experienced lawyers have been engaged.
- XVII. Senior lawyers have been engaged with pending cases in Supreme Court.
- XVIII. Maintain close contact through personally visit to defaulter borrowers' business address and

- residence to strengthen the recovery through Alternative Dispute Resolution (ADR).
- XIX. Ensure presence of Bank's officials along with BLA on the hearing day of cases and close monitoring is being made from Head Office level.
- XX. Lawyers have been engaged to vacate the writ petition filed by the borrowers and regular contact has been maintaining with the lawyers.
- XXI. Case diaries have been maintaining in both of Branch & Head Office level for dealing the case/suits accurately.
- XXII. Latest recovery progresses are being submitted regularly to Higher Management for necessary instruction and advices.

As a result, a positive response has been observed among the Officials of the Branches as well as Defaulter Borrowers. Through Team Work and Joint effort of Head Office Executives/Officials and Colleagues of Branches, a good number of classified & overdue loans & advances have turned into regular & reduced an amount of Tk.509.86 crore for which credit goes to the Top Management for their dynamic leadership and Team Members of Branch & Head Office.

Recovery Performance for the period from 01.01.2018 to 31.12.2018 is mention below:

Fig. in Crore Tk.

Period	From Classified		Cash Recovery from Written-off	Cash Recovery from Rescheduled A/C	Cash Recovery from Other Overdue A/C	Grand Total
	Cash Recovery	Regularization by Rescheduling				
1	2	3	4	5	6	7
01.01.18 to 31.12.18	38.55	368.72	0.46	73.81	304.82	786.36
Total	38.55	368.72	0.46	73.81	304.82	786.36

Lastly, it may be mentionable that the profitability of the Bank largely depends on the recovery of classified, written-off and overdue loans and halt in further classification of new loans and advances. Though we are maintaining NPL rate around 5.53% recently, all of we must keep a conscious watch to minimize the NPL rate for smooth and healthy growth of the Bank.

We believe by joint effort & Team Work we shall be able to keep the NPL at minimum level in coming days.

BUSINESS TEAM

The "Business Team" of Head Office is effectively organizing our day to day business operations through IT enabled solutions. Now, 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 centralized IT System Business Team is working round the clock to stop

unauthorized and fraudulent activities.

During the period of 2018 besides other activities in cooperation with branch level and Business Team has also completed some assignments like: Loan Classification and Provision Reporting for Branches to identify actual status of the loan accounts, SME loan identification for conversion lying with corporate and other loan accounts. Introducer, Nominee, Address, Mobile number, NID and other necessary fields checking to update information for active accounts, Update staff accounts with Employee ID, Check day to day transactions and close the accounts having no transaction since opening and identifying mismatch between Party and GL Balance etc. It also prepared reports for all branches for Expired Loan Accounts, Excess Over Limit, Overdue PAD, LTR, Expired Bank Guarantee, Overdue L/C, ABP, PC etc. Business Team working to implement several IT projects, hopefully the modules will be come up live within very short time.

The Team is also working within the following major areas

of operation in consultation with relevant department, division & Branch In-charges in general and particularly with IT Division to reduce the risk and strengthen our monitoring system:

1. Creation of user in i-Stelar, defines user rights at Branch and Head Office level in line with job functions of desk officers.
2. Defining Teller Limit on the basis of transaction type, nature and Branch category.
3. Ensure supervisory authority by "Queued Transaction Approval" and "Maker and Checker" at all levels of transaction processing.
4. Create Business Critical Reports to check Branches properly data and as per Management instruction.
5. Working on deployment of new products as far as business process and concerning with the security features.
6. User Acceptance Testing (UAT) new development and modification of 'i-Stelar'.
7. Any other requirements dim into fit with the demand of the situation.

BUSINESS & MARKETING

Marketing Department engaged in marketing of corporate products by way of mobilizing deposits and extending

Development Fund, National Housing, House Building Finance, IDCOL, Pad- ma 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.

The Department 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, Naray- angonj, Gazipur & Savar. Besides online Hajj fees collection through all branches.

The Department 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 Department is going to arrange an agreement with BTCL for online T&T bill collection of all zones through our branches and agreement with Novoair & US-Bangla Airlines for ticket selling through online all of our Branches. There are some more upcoming projects like passport fees collection, NID fees collection, RJSC



financial benefits & various supports to reputed business entities and mass market throughout Bangladesh. 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

fees collection and B5TI fees collection. The Department 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 OPERATIONS

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 813.96 Million eqv. To BDT 66,509.83 Million in the year 2017. Import business during the year 2018 was USD 890.48 Million eqv. to BDT 74,464.25 with increase of 11.96%.

EXPORT

During the year 2018, total export volume stood at USD 626.79 million equivalent to BDT 51,884.29 million with compare to the export of USD 544.71 million equivalent to BDT 43,806.97 million for the year 2017 which is increased by 18.44%.

FOREIGN CORRESPONDENTS

Scope of foreign exchange business depends on establishment of 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. Presently, the bank has strong correspondent banking network with 193 renowned banks in 57 countries alongwith 424 RMA (Relationship Management Application) under SWIFT covering most of their branches abroad. We have already established RMA arrangement under SWIFT with 51 local banks also.

The bank has been enjoying credit line of substantial amount from most of the renowned banks covers globally where Standard Chartered Bank(globally), Habib American Bank(USA, Japan, Korea, China, Indonesia & Kong Kong), Habib Bank AG Zurich(Switzerland/Canada/London/Kenya/South Africa(HBZ Bank HK Ltd) / UAE(BIC:-HBZUAEAD covers GCC & CIS Countries, China, Singapore, Indonesia, Thailand, Malaysia, Japan, Korea, Srilanka, Nepal, Maldives, Turkey, Vietnam, Taiwan, Australia, New Zealand, Europe, USA, Latin America)/Pakistan(Habib Metropolitan Bank)/Habib Bank Zurich (HK) Ltd(former HBZ Finance HK Ltd)/UBL-UAE, Mashreqbank psc. (India/Egypt/Qatar/Bahrain/Kuwait/Hong Kong:covers China, Japan, Singapore, Taiwan /

London:covers all countries of Europe/New York covers all countries of North, South & Central America/UAE covers Middle East, CIS & Africa), CommerzbankAG, Germany, globally(BIC:COBADEFFDOC), ICICI Bank(Globally), Handels Bank(Switzerland, Denmark, UK), Axis Bank Kolkata, AB Bank Mumbai, AB Int'l Finance(HK), EBL Finance (HK) Ltd., Sonali Bank (UK) Ltd., UBI Banca, Italy & Bank Al-Jazira, Saudi Arabia are mentionable. Most of the confirming banks are providing discounting facility against our acceptance under UPAS arrangement which plays a vital role in 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, MoneyGram Payment System USA Inc. and with Western Union, USA through which we are receiving remittance globally. In UAE, we have arrangement with Wall Street Exchange Centre LLC, Al-Ghurair Exchange, Universal Exchange and Instant Cash FZE. We have also made remittance drawing arrangement with ZENJ Exchange Company, Bahrain & Xpress Money, UAE as sub agent. We have accomplished drawing arrangement with BRAC Saajan Exchange Ltd, UK in 2017 & with Al-Ghurair Int'l Exchange in 2018. Drawing arrangement with Dubai Express 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 164.24 million equivalents to BDT 13,652.57 million for the Year 2018, which is higher by 20.79% compared to previous year 2017 of remittance USD 138.83 million equivalents to BDT 11,303.19 million.

REMITTANCE RECEIVED FROM EXCHANGE COMPANIES

During the year 2018, we have received USD 113.77 million equivalents to BDT 9,471.00 million through different exchange companies which has increased by 24.09% with compare to the remittance of 93.23 million equivalent to BDT 7,632.37 million for the year 2017.

BANK'S OWN EXCHANGE COMPANY

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

- Standard Exchange Co (UK) Ltd.:** The Company started its operation at 101 Whitechapel Road, London E1 1DT, UK. in the month of August 2009. The company is now working as collecting agent of BRAC Saajan as its own MSB Account any bank in UK.

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 # 2B, Jackson Heights, NY 11372, U.S.A. It has now 7 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. and Baffalo, NY, USA. We have received remittance for USD59.24 Million equivalent to BDT5,000.86 Million from Standard Express during the year 2018 which is 25.36% higher than the previous year’s(2017) remittance for USD48.33 million equivalent to BDT3,989.16 Million.

based sector. SME and other micro credit operations are new areas for us for uplifting national economy at large. During the year under review, our focus and strategy was concentrated on sustainable long-term growth 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 governance 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.

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. On 27th Dec 2017, we also have inaugurated another Foreign Currency Exchange Booth at Departure Lounge in Hazrat Shahjalal International Airport, Dhaka which is another remarkable value added portfolio in the Foreign Exchange Business of our bank.

Dynamic decision making process. Moderate Risk based Management, Diversified and people 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. Our strategic investments in IT infrastructure. Branch ATM network, mobile banking, agent banking services and human capital continues in 2018. 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.

OFF-SHORE BANKING UNIT (OBU):

We have started operation of our Off-Shore Banking Unit from 2015 which has widened our coverage of business services. Total 848 bills amounting to \$53.84 Million have been discounted through OBU in 2017. In the year 2018 total 1,130 bills amounting to \$63.53 Million have been discounted through OBU.

We are confident that SBL will continue to grow and succeed, even as challenges remain: firstly, because we have a visionary Board and an amazing workforce that is committed to working together to provide our customers with quality service; secondly, because we are building on a solid foundation of key strengths, including a strong capital base, and excellent risk and expense management skills; thirdly, because of our diversified business lines, products and locations; and finally, because we have a clear focus on our strategy and where we need to direct our efforts. Our strategic focus is built around a few key priorities that will guide our actions as we move forward over the next several years. These will serve as a road map to help us navigate through the new landscape in which we are now operating. Sustainable revenue growth, capital management, leadership, prudent risk and appetite management, efficiency and expense management - will be the pillars of our strategy in upcoming years. These would play a critical role in our success and, given the ongoing market uncertainty, they deserve a prominent place in our strategic framework.

INTERNATIONAL TRADE OPERATIONS DEPARTMENT (ITOD):

A separate “International Trade Operation Department” for facilitating Non-AD branches has been formed at Head Office and shall start its operation soon.

STRATEGIC BUSINESS OUTLOOK

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. 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 clients, but for all stake holders and people at large. Thus Standard Bank Ltd. has taken number of steps to diversify its business avenue; Special attention is being given to finance in Infrastructure, Power Generation, Pharmaceutical, Ship- Building, Iron & Steel industries. Due attention is now being given to Agri & Agri

SUSTAINABLE GROWTH

Sustainable growth comes from ensuring cost leadership and differentiation of product and services of the organization. Our ability to build strong relationships with our customers and attract new ones. We do this by providing them with innovative service.

- Ensuring quality customer service at Branch and development of alternative delivery channels to improve customer experience.
- Developing and upgrading customized asset, liability and transaction products for Retail, SME and Corporate clients.
- Mobilizing low cost deposit from retail client base.
- Increasing client base for financial inclusion and wider market penetration.
- Diversifying and increasing loan clients and maintaining quality assets.
- Promoting Islamic Banking window.
- Emphasizing Small and Medium Enterprises financing.
- Disbursing agricultural and rural credit through Micro Financial Institutions.
- Financing for efficient and renewable energy projects.
- Arranging funds from overseas sources for Off-shore banking service and long term foreign currency loans for corporate clients.
- Initiating customer oriented culture for the development of bank's marketing tools.
- Hiring the best talents in different arenas of banking,
- Developing human resources by rendering training at the renowned institutions in home and abroad,
- Adopting leadership development strategies aligned with business strategies,
- Key Performance Indicator (KPI) based evaluation system,
- Developing human resource management system to transform the organization into the greater height.

PRUDENT RISK AND APPETITE MANAGEMENT

At SBL, we are known for our risk management culture, characterized by a conservative approach and rigorous processes. We start by "Know Your Customer" popularly known by its acronym KYC. But at the heart of our strength is experience and good judgment. The strategic priorities that are employed for prudent risk and appetite management are as follows.

- For Credit Risk, our focus is developing a strategic business plan for appetite management and structured policy guideline and framework in order to manage default.
- Ensuring effective risk management system especially prudent management of Asset Liability Risk, Foreign Exchange Risk and Operational Risk.
- Ensuring meticulous compliance of disbursement procedures and monitoring and follow-up of each loan by the Branch Manager to ensure timely recovery.
- Strengthening recovery drive to bring down the NPL at a minimum level
- Ensuring efficient internal control and regulatory compliance at all levels of banking operations.

MAINTAINING STRONG CAPITAL BASE

SBL is committed to maintaining a solid capital base to support the risks associated with our diversified businesses, while still providing investors with superior returns. We actively manage our capital to support the execution of our business strategies. Our goal is to achieve the lowest cost of capital by managing its mix and by building our base through earnings and selective capital issues. We would do it through:

- Expediting borrowers rating,
- Concentrating on lending portfolio having lower capital charge,
- Strengthening internal capital adequacy assessment process (ICAAP),
- Pre-emptive preparation for Basel-III compliance,
- Revising the capital allocation to business in line with revised capital adequacy target ratios.

HR LEADERSHIP

SBL's success depends on having the right leaders to execute our strategy. For this reason, leadership remains one of our strategic priorities. Our leadership strategy continues to build competitive advantage through comprehensive development programs and tools. The programs and tools that would be used are as follows:

- Fostering a culture of creativity, innovation and diversity with a view to achieving sustainable business growth,
- Business process reengineering (BPR) in different business and operational areas to improve efficiency.
- Optimizing efficiency by budgetary control.
- Paperless banking as far as possible and practicable
- Implementing Green office.

OPERATIONAL EFFICIENCY AND COST LEADERSHIP

Operational efficiency and Cost Leadership is a traditional strength at SBL - and today, it's more important than ever. While revenue growth is ultimately decided by our customers and external factors, expenses are something we can control. Across SBL, we are carefully monitoring our spending and looking for ways to improve productivity by being innovative and doing more with expending less. The followings are few initiatives to obtain efficiency in respect of expense management.

Our strategic management is a process that evaluates and controls our business in the total Banking industries, in which we are actively 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 Bank guidelines & Bangladesh Securities and Exchange Commission rules and regulation. Corporate Governance establishes specific responsibility to ensure accountability.

BRANCH MANAGEMENT & OPERATIONS DIVISION (BMOD)

Branch Management & Operations Division (BMOD) of the Bank's Head Office deals in core banking system. This Division plays a vital role in managing Branches and its operational control. Its scope of work includes obtaining permission from Bangladesh Bank on different issues, developing principles and procedures, primary products & services, standard operating procedures, corporate arrangements, branch establishment, business development, all operations, control, vigilance, preventive & corrective measures and compliance for all core banking issues.

Selection of business location is of strategic importance for a bank. An effective branch location ensures more profitable customers and increases the possibility of potential sales, retain customers, and strengthen customer relationship as well as economic contribution to the country. A well-planned business network helps banks to gain a large market share. We are operating our business throughout country with our 134 branches (as on 31st December, 2018). Therefore we have 96 numbers

of urban branches and 38 numbers of rural branches including 07 nos. of SME/Krishi branches. 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 05 urban & rural branches during the year 2019 at the important commercial hubs (both rural & urban) of the country subject to obtaining permission from Bangladesh Bank.

The bank started its operation with only 01 branch i.e. Principal Branch on 3rd June 1999. Since inception a time line of branch expansion is presented below:

Year	Number of Branches opened	Total Branches In cumulative In the year
1999	04	04
2000	05	09
2001	01	10
2002	03	13
2003	02	15
2004	03	18
2005	04	22
2006	04	26
2007	03	29
2008	03	32
2009	09	41
2010	17	58
2011	10	68
2012	09	77
2013	10	87
2014	09	96
2015	08	104
2016	10	114
2017	11	125
2018	09	134

The Division has been providing continuous support for operations of the branches and has been trying to provide longer term solution for taking both operations level & long term policy level under consideration.

The Division is engaged in marketing of corporate products by way of mobilizing deposits and extending various supports to reputed business entities and mass market throughout Bangladesh & abroad. The Division is working relentlessly with a view to growing banking relationship with different Government & semi Government bodies, NGO's such as Titas Gas Transmission & Distribution Ltd, WASA, BTRC, DPDC, DECSO, BTCL, PDB, REB, Election Commission & Grameen Bank etc.

The Division has launched 17 new schemes & deposit products and 2 new employee savings account (Salary accounts for the employees of a company). Recently we are planning to open some Banking Booths throughout the country to expand our network as per Bangladesh bank guidelines.

The Division has been mobilizing collection accounts for receiving Utility Bills for individual households, commercial and industrial sectors through offline & online by different branches. Besides, online Hajj fees collection through all branches is also remitted to Kingdom of Saudi Arabia every year through Sonali Bank Limited. The Division has successfully arranged agreement of E-Tendering program with CPTU, Ministry of Planning which has already been started in all of our branches successfully. For this reason the collecting branches arranged to issue Bank guarantee from which bank is gaining multiple benefits. We already started to collect WASA, DPDC, DESCO, BTCL bills through online collection along with BRTA vehicles registration fees and charges and taxes. We are also collecting TITAS & REB bills through offline by our selected branches. The Division has also arranged an agreement with US –Bangla Airlines and NOVOAIR for enjoying online ticket discount through our all branches. There are some more upcoming projects like passport fees collection, NID fees collection, RJSC fees collection, RAJUK fees collection and BSTI fees collection which will be implemented soon. The Division has already arranged School Banking initiatives at all branches as per instructions & guidelines by Bangladesh Bank.

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 facilitate banking services among students. The marketing team is 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 bring a sustainable growth.

The Division coordinates the following meeting over the year as under:

1. Managers' Meeting
2. Regional Meeting
3. Monthly Development Meeting
4. Special Meeting with Head Office Executives

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

1. Agreement with CPTU for functioning E-Tendering through all Branches,
2. 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,
4. 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 BTCL for On-line collection of T&T Bills through all Branches,
8. Agreement with "Bank Compare BD", credit card referral agency to our bank with the help of Credit Card Division,
9. Agreement with Election Commission to verify the NID information of client from their database,
10. Agreement with TITAS gas bill collection through online banking system.
11. A MoU signed with Radisson Blu Chittagong for hotel accommodations & facilities for SBL and our valued customers.

The following arrangements are under process:

1. Agreement for E- Passport fees collection.
2. Agreement for collection of City Corporation's holding & other taxes.
3. Agreement for collection of BSTI fees.

Jobs performed at the Division 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:

1. 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.
4. 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.
13. 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:

1. Issuing Circular/Instruction for prevention of fraud forgeries, monitoring & legal actions.
2. 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

The division is 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:

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 and Agrabad Branch, Chottagram 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 also Member Bank of Central Shariah Board for Islamic Banks of Bangladesh. 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:

DEPOSIT PRODUCTS:

1. Al-Wadiah Current Account
2. Mudaraba Savings Account(MSA)
3. Mudaraba Special Notice Deposit Account (MSND)
4. Foreign Currency Account
5. NFCD Account
6. RFCD Account
7. Mudaraba Term Deposit Receipt Account (MTDR)
8. Mudaraba Monthly Savings Scheme (MMSS)
9. Mudaraba Hajj Savings Scheme (MHSS)
10. Mudaraba Regular Income Program (MRIP)

INVESTMENT PRODUCTS:

1. Bai-Murabaha
2. Bai-Muajjal
3. Bai-Salam



4. Hire Purchase under Shirkatul Melk (HPSM)

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.

FOREIGN TRADE & FOREIGN EXCHANGE:

1. Import
2. Export
3. Remittance

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.

In our above 02(two) Islamic Banking Windows and also

SBL CAPITAL MANAGEMENT LIMITED

After obtaining a full fledged Merchant Banker license from the Bangladesh Securities and Exchange Commission (BSEC), Merchant Banking operations of the Standard Bank Limited (SBL) was initially launched through the Merchant Banking Wing (MBW) in the year 2009. Later on as per Directive of Bangladesh Bank, the Board of Directors of Standard Bank Limited formed a separate Subsidiary Company with authorized and paid up capital of Tk. 500.00 crore and Tk. 150.00 crore respectively under Standard Bank Limited named SBL Capital Management Limited (SCML). Thereafter the Registrar of Joint Stock Companies and Firms issued the Certificate of Incorporation and also the Certificate of Commencement of business in favor of the said company. The Bangladesh Securities and Exchange Commission (BSEC) then issued a full-fledged Merchant Banker license in the name of SBL Capital Management Limited. The operation of SBL Capital Management Limited was launched from January 2011 through taking over all activities of the erstwhile Merchant Banking Wing (MBW) of the Bank to this subsidiary.



SCML, a fully owned subsidiary of Standard Bank Limited, its Business Office at 2 D.I.T. Avenue (Ext.), 3rd floor, Motijheel C/A, Dhaka-1000. The main objectives of the company for which it has been established are to carry out Merchant Banking activities including:

- Portfolio management
- Underwriting public issue of companies
- Issue management and
- Corporate advisory services

SCML manages Investors Portfolio an amount of Tk.202.49 crore only as on 31 December, 2018. Besides, the company made total investment of Tk. 210.39 crore only at Own Portfolio where as market value of Tk. 133.20 crore only.

The Company has also committed with 9 (nine) Companies and Bank as an underwriter for a total amount of Tk. 36.09 crore only upto 31 December 2018:

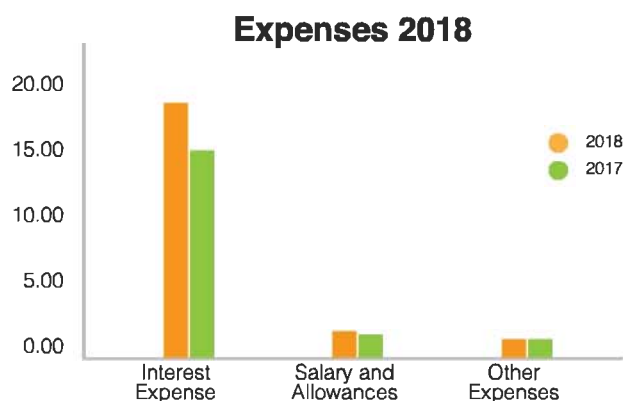
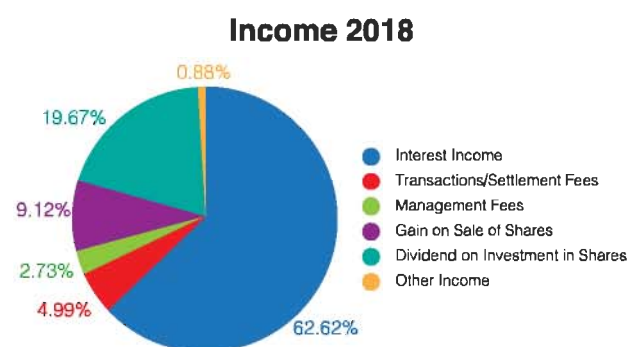
We are in contact with other merchant bankers to work jointly as co-issue manager for the Issue Management activities. SCML has successfully performed the responsibilities of Issue Manager of "Silva Pharmaceuticals Ltd" as Co-Issue Manager in 2017.

As on 31 December 2018, we have rescheduled 83 (eighty three) numbers of portfolio accounts along with interest free block loan amount of Tk. 15.31 crore only for 77 (seventy seven) numbers of Accountholders. Besides, charges on loan loses was Tk. 2.84 crore only in 2018. However, SCML has earned operating profit of Tk. 4.45 crore only in 2018 where as Tk. 15.85 crore only in 2017.

Business position:

Sl.	Particulars	As on December 31, 2018
1	No. of Accounts	2,099
3	Total Clients Portfolio value at cost price	Tk. 202.49 crore
4	Total Clients Portfolio value at Market price	Tk. 124.30 crore
5	Total Own Portfolio value at cost price	Tk. 210.39 crore
6	Total Own Portfolio value at Market price	Tk. 133.20 crore
7	Average daily trade volume	Tk. 2.64 crore

The below stated pie depicts the various sources of Income in the year 2018 and the bar chart shows the expenses of SCML in 2018 in comparison with 2017:



Financial results of SBL Capital Management Ltd:

Taka in crore

Sl. No.	Particulars	2018	2017	Increase/ (Decrease) in percentage
1	Income	25.06	32.38	(22.61)
2	Expense	20.61	16.53	(24.68)
3	Operating Profit	4.45	15.85	(71.92)
4	Net profit before tax	3.35	9.21	(63.62)
5	Net profit after tax	0.14	4.73	(97.04)
7	EPS (Tk.)	0.09	3.15	(97.14)
8	NAV (Tk.)	100.57	103.48	(2.81)

subsidiary of Standard Bank Limited, was incorporated as a Public Limited Company under the Companies Act, 1994 vide certificate of C-105752/12 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.), 1st Floor, Motijheel C/A, Dhaka-1000. The principal 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.

Now the number of clients of SBSL is more than nineteen hundred and it comprises of local individual & institutional investors. SBSL also acts as Panel Broker of SBL Capital Management Limited. During the year 2018 the company earned operating profit of taka 5.66 Crore as against taka 9.85 Crore in 2017.



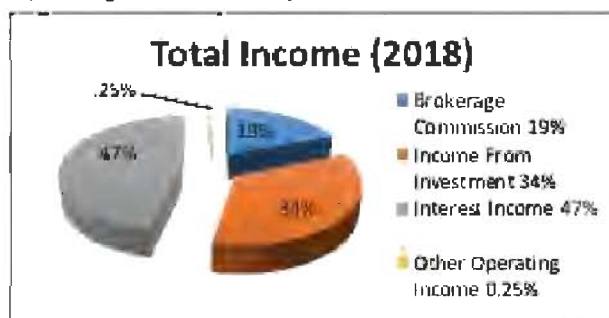
SBSL Products:

- Beneficiary Owners (BO) Account as Cash Account
- Beneficiary Owners (BO) Account as Margin Account.
- SBSL Services:
 - Trade Execution through Dhaka Stock Exchange Ltd.
 - Full Service Depository participant
 - Research and Advisory Services
 - IPO Application Services
 - Margin Loan Facility with affordable Interest Rate
 - Online Trading Facility
 - Daily Portfolio Services through e-mail
 - Online banking facility at all SBL & AIBL

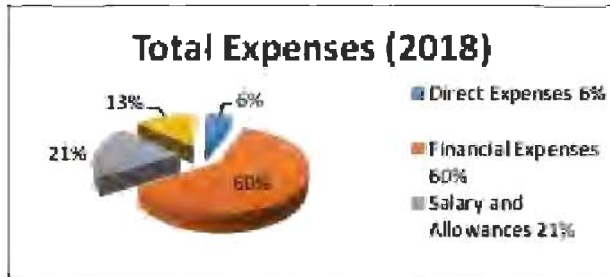
KEY FINANCIALS 2018:

Total Operating Income: SBSL shows its operating income among four basic segments. For the year 2018 the company generates 1.89 Crore Taka from Brokerage Commission, that is the main income source of SBSL. After that the Income from Investment was 3.39 Crore

Taka and Interest Income was 4.64 Crore Taka, which is 29% increased form the year 2017. And finally there was some amount of 0.03 Crore Taka heading Other Operating Income for the year of 2018.



Total Operating Expenses: In the year 2018 SBSL's Direct Expenses was 0.25 Crore Taka and Financial Expenses was also 2.59 Crore Taka. After these the expense for Salary & Allowance was 0.88 Crore Taka and Other Administrative Expenses was an amount of Tk. 0.57 Crore.



Monthwise Turnover: Turnover or the Trade Volume is the vital issue for generating a handsome Brokerage Commission. In the year 2018 the total trade of DSE stood at Tk. 133,591.33 crore which marking a decrease at 38.43 % or 83,368 Crore than that of the previous year. Over the year the company's total turnover was 707.30 Crore, where 2017 turnover was 1634.26 Crore. The monthwise trade volume of Dhaka Stock Exchange Limited for 2017 & 2018 is shown by drawing a graph.

Financial Growth: Due to unstability of national economy and poor trade volume of DSE, the year 2018 was a very challenging year for SBSL. But SBSL handle every

situation over the year and generate an operating profit before tax and provisions of 5.66 Crore Taka, that was 9.85 Crore Taka for 2017.

Some Comparison Graph is given below for better understanding.

Here, in this graph of Operating Income Comparison (2016, 2017 & 2018), we can see that, the Brokerage Commission income for the year 2018 was 1.89 Crore Taka where as the income from same entity was 3.92 Crore Taka in 2017 and 2016 was Tk. 1.03 Crore. Income from Investment also Decreased by 5.89%, in 2018 the amount was Tk. 1.33 Crore than that of the previous year. Interest Income was increased by 3.61 Crore to 4.64 Crore Taka with 29% growth rate due to fresh Margin loan disbursement to the Clients.

By the graph Heading Operating Expenses Comparison (2016, 2017 & 2018). In the year 2018 the total operating expenses Tk. 4.29 crore which marking a increased at 77 % or 1.87 Crore than that of the previous year due to grew financial expenses. In the year 2018 Financial expenses for Interest expenses on Bank Loan increased by 382 % of the previous year.

PERFORMANCE OF SBSL:

Particulars/Year	2018	2017	2016	2015	2014
No. of Clients (total 1959)	308	429	187	240	542
Margin Loan to Clients (crore)	32.18	27.36	15.91	11.48	10.69
Operating Profit (crore)	5.65	9.85	5.08	5.06	9.09
Total Turnover–Trade (crore)	707.30	1634.26	384.73	504.81	727.81

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. To meet up the compliance of BASEL-III deadline, with consent of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, Standard Bank Limited applied to the regulatory authorities for consent to issue "3rd STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT (BOND)" for 07 (seven) years for BDT 500.00 crore to meet up the Tier-II capital requirement of the Bank.

BRANCH EXPANSION AND BUSINESS DIVERSIFICATION

The year 2018 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 2018, opened 9 (nine) new with the total number of branches coming at 134 (one hundred thirty 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 5 (five) new branches both urban (3) and rural (2) areas in the year 2019 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 "STANDARD 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 are going to open a new branch at Jeddah in Saudi Arabia immediately. 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.



Agreement signing with NDE



Standard Bank Limited Starts its Head Office Building Construction at Gulshan



Principal Branch has been shifted to Metropolitan Chamber Building (mezzanine floor), 122- 124, Motijheel C/A, Dhaka



Standard Bank Limited inaugurates 126th Branch at Afaznagar, Fatullah, Narayanganj



Standard Bank Limited inaugurates 127th Branch at Nayanpur Bazar, Sreepur, Gazipur

| ABOUT STANDARD BANK LIMITED |



Standard Bank Limited inaugurates 128th Branch, Sultanpur Branch, Brahmanbaria



Standard Bank Limited inaugurates 129th Branch at Chashara, Narayanganj



Standard Bank Limited inaugurates 130th Branch at Chandpur



Standard Bank Limited inaugurates 131st Branch at Sreemangal



Standard Bank Limited inaugurates 132nd Branch at Muksudpur, Gopalganj



Standard Bank Limited Inaugurates 134th Branch at Sandwip, Chattogram



SBL Opens Agent Banking Outlet at Mosharof Ali Mia Bazar, Banskhali, Chattogram



Signing Ceremony with JICA



Standard Bank Limited Inaugurates Haj Booth at Haj Camp, Ashkona, Dhaka

CORPORATE SOCIAL RESPONSIBILITY

This year Corporate Social Responsibility (CSR) activities of the Bank expenses to Taka 114 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 150 million in 2018 to reaffirm the commitments of the Bank towards society.

APPOINTMENT OF AUDITOR

M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants have completed their second year as statutory auditor of the Bank. As per rules statutory auditor of a bank can be appointed for three consecutive years. As such M/S Khan Wahab Shafique Rahman & 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 313th meeting held on 14 May 2019 recommended to the shareholders regarding re-appointment of M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants as a statutory auditor of Standard Bank Ltd. for the year 2019 at remuneration of BDT 7,00,000 (taka seven 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 M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants.

BOARD OF DIRECTORS

The Board of the Bank consists of 16 Directors as on December 31, 2018 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. 17 (seventeen) Board meetings held during the year 2018.

The Board of Directors is the supreme authority in the Bank's affairs. To ensure the company's prosperity by collectively directing the company's affairs the Board approved different loan & investment proposals and adopted policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance 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.



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 acceptable credit standards for the Bank. The present executive committee of the Bank is comprised with 7(seven) members. During the year 2018 there were 1 (one) meeting 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 27.10.2013 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 2018, the Audit Committee conducted 5 (five) meetings.



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. 04 (four) meetings of Risk Management Committee held during the year 2018.



DIRECTORS' HONORARIUM

During the year an amount of Tk. 19,60,000 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/2006-158/207/ADMIN/80 DATED 03 JUNE 2018. The pattern of shareholding position as on 31.12.2018

Parent/Subsidiary/Associated Companies and other related parties: Nil

iv. Shareholding position of Directors

Sl. No.	Name	Position	No. of Shares	(%) of shareholding
1	Mr. Kazi Akram Uddin Ahmed	Chairman	20,509,293	2.35%
2	Mr. Mohammed Abdul Aziz	Vice Chairman	24,653,417	2.83%
3	Mr. Kamal Mostafa Chowdhury	Director	20,013,058	2.30%
4	Mr. Ashok Kumar Saha	Director	18,880,043	2.17%
5	Mr. Ferozur Rahman	Director	18,047,043	2.07%
6	Mr. Md. Monzurul Alam	Director	17,420,819	2.00%
7	Mr. S. A. M. Hossain	Director	23,717,731	2.72%
8	Al-Haj Mohammed Shamsul Alam	Director	22,135,275	2.54%
9	Mr. Gulzar Ahmed	Director	17,437,413	2.00%
10	Mr. Md. Zahedul Hoque	Director	29,107,942	3.34%
11	Al-Haj Mohd. Yousuf Chowdhury	Director	17,420,088	2.00%
12	ICB, represented by its Managing Director	Director	35,304,080	4.05%
13	Mr. Ferdous Ali Khan	Director	19,730,515	2.27%
14	Mr. S. S. Nizamuddin Ahmed	Independent Director	-	-
15	Mr. Najmul Huq Chaudhury	Independent Director	-	-
16	Mr. Md. Nazmus Salehin	Independent Director	-	-
17	Mr. Mamun-ur-Rashid, Managing Director	Ex-Officio Director	-	-

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

Sl. No.	Name	Position
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):

Sl. No.	Name	Position	Share Holdings
1.	Mr. Mamun-Ur-Rashid	MD & CEO	Nil
2.	Mr. Md. Tariqul Azam	AMD	Nil
3.	Mr. Md. Motaleb Hossain	DMD	Nil
4.	Ms. Haider Nurun Naheer	SEVP	Nil
5.	Mr. Feroz Alam	SEVP	Nil

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 2018 total 17 meetings were held.

As per compliance of Section 1, 5 (XX) of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the attendance record of Directors in 2018 are as follows:

Sl. No.	Name	Position	Total no. of Meetings Held	Attended	Remarks
1	Mr. Kazi Akram Uddin Ahmed	Chairman	17	17	
2	Mr. Mohammed Abdul Aziz	Vice-Chairman	17	15	
3	Mr. Kamal Mostafa Chowdhury	Director	17	17	
4	Mr. Ashok Kumar Saha	Director	17	10	
5	Mr. Ferozur Rahman	Director	17	16	
6	Mr. Md. Monzurul Alam	Director	17	2	
7	Mr. S.A.M. Hossain	Director	17	15	
8	Al-haj Mohammed Shamsul Alam	Director	17	17	
9	Mr. Gulzar Ahmed	Director	17	14	
10	Mr. Md. Zahedul Hoque	Director	17	11	
11	Mr. Ferdous Ali Khan	Director	17	9	
11	Al-haj Mohd. Yousuf Chowdhury	Director	17	10	
12	Investment Corporation of Bangladesh represented by its Managing Director Mr. Kazi Sanaul Hoq	Director	17	13	
13	Mr. S.S. Nizamuddin Ahmed	Independent Director	17	12	
14	Mr. Najmul Huq Chaudhury	Independent Director	17	14	
15	Mr. Md. Nazmus Salehin	Independent Director	17	15	
16	Mr. Mamun-Ur-Rashid	Ex-officio Director	17	17	

AUDIT COMMITTEE MEETING 2018

Sl. No.	Name	Designation	No. of Meetings Held	Attended	Remarks
1	Mr. S.S. Nizamuddin Ahmed	Chairman	5	5	
2	Al-haj Mohammed Shamsul Alam	Member	5	2	
3	Mr. Kazi Sanaul Hoq	Member	5	3	
4	Mr. Najmul Huq Chaudhury	Member	5	3	
5	Mr. Md. Nazmus Salehin	Member	5	4	
6	Mr. Md. Ali Reza	Member Secretary	5	5	

EXECUTIVE COMMITTEE MEETING 2018

Sl. No.	Name	Designation	No. of Meetings Held	Attended	Remarks
1	Mr. Ferozur Rahman	Chairman	1	1	
2	Mr. Kamal Mostafa Chowdhury	Member	1	0	
3	Mr. Ashok Kumar Saha	Member	1	1	
4	Mr. S.A.M. Hossain	Member	1	1	
5	Mr. Mohammed Abdul Aziz	Member	1	1	
6	Mr. Gulzar Ahmed	Member	1	1	
7	Mr. Md. Zahedul Hoque	Member	1	1	
8	Mr. Md. Ali Reza	Member Secretary	1	1	

RISK MANAGEMENT COMMITTEE 2018

Sl. No.	Name	Designation	No. of Meetings Held	Attended	Remarks
1	Mr. Kazi Akram Uddin Ahmed	Chairman	4	4	
2	Mr. Mohammed Abdul Aziz	Member	4	3	
3	Mr. S.A.M. Hossain	Member	4	3	
4	Mr. Md. Monzurul Alam	Member	4	0	
5	Al-Haj Mohd. Yousuf Chowdhury	Member	4	2	
6	Mr. Md. Ali Reza	Member Secretary	4	4	

DIRECTOR'S DECLARATION ON FINANCIAL STATEMENTS

The Directors are responsible for the governance of the company and as part of preparation and presentation of the financial statements, the directors confirm, to the best of their knowledge that:

- The Financial Statements prepared by the management present fairly its state of affairs the result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- 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.
- International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed.
- The system of internal control in the bank is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the bank's ability to continue as a going concern.

The Board expresses gratitude to the Almighty Allah for the success of the Bank in 2018. 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 Team, all Executives and other employees of the Bank. The Board offers thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited for their appreciable support and co-operation to the Bank. The Board also expresses its appreciation to M/s KHAN WAHAB SHAFIQUE RAHMAN & CO. the Auditor of the Bank, for their efforts for timely completion of Audit. The Board of Directors also thanks both the print and electronic media personnel for giving media coverage to Bank's different activities and events.

Finally, the Board thanks the respected Shareholders and assures them that it will continue to add to the Shareholders' wealth through further strengthening and development of the Bank in which they have placed their trust and confidence. We want to continue on doing the best and ensure prolonged development in the economy, society, lifestyle and thus every sphere of our country in line with our vision. Our sustainable banking operation is attributed to our prudent Board of Directors, effective Management, enthusiastic and skillful employees and trust bestowed upon us by our valuable clients and shareholders.

Sincerely

On behalf of the Board of Directors.



Ln. Kazi Akram Uddin Ahmed
Chairman

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance is the system by which organizations are directed and controlled. In other words, corporate governance represents the set of processes, customs, policies, laws and institutions affecting the way in which an entity is directed, administered or controlled. Corporate governance serves the needs of shareholders, and other stakeholders, by directing and controlling management activities towards good business practices, objectivity and integrity in order to satisfy the objectives of the entity. Corporate governance represents a strategy for companies to ensure a framework of control for its administrative and management practices. This is achieved through procedures that are aligned with recognized standards that respond to the interests of shareholders and other stakeholders. Proper governance ensures fairness, transparency and accountability and safeguards the interests of all stakeholders, especially the minority shareholders. Empirical research also suggests that corporations that adhere to good governance practices are not only more sustainable but also tend to generate higher profitability. The six core areas of Standard Bank Limited emphasizes its effective corporate governance strategy as demonstrated in the diagram. The company's corporate governance model is rigorously aligned with its well-articulated vision, mission, goals and objectives.





CORPORATE GOVERNANCE

The Company's Board of Directors are responsible for proper governance, which includes setting out the Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to shareholders on their stewardship. The Board is collectively accountable to the Company's shareholders for good governance to facilitate efficient and effective management towards delivering long-term shareholder value within appropriately established risk parameters.

Standard Bank Limited is committed to continually review all its corporate governance policies and guidelines to ensure transparency in its practices and the delivery of the highest ethical standards and quality information to its stakeholders on an ongoing basis.

The sustenance of effective corporate governance remains a key priority of the Board of Standard Bank Limited. To exercise clarity about the Directors' responsibilities towards shareholders, corporate governance must be dynamic and remain focused on the Company's business objectives and create a culture of openness, transparency and accountability. Keeping this in mind, clear structures and ownership supported by well-understood policies and procedures to guide the activities of the Company's management have been instituted and institutionalized.

Standard Bank Limited considers that its corporate governance practices comply with all the aspects of the revised Corporate Governance Guideline (CGG) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, issued by the Bangladesh Securities and Exchange Commission (BSEC) and all aspects of Bangladesh Bank's BRPD Circular No.11,

dated 27 October 2013. In addition to establishing the highest standards of corporate governance, Standard Bank Limited also embraces best governance practices across all its activities. The independent role of the Board of Directors, separate and independent role of the Chairman and Chief Executive Officer, distinct roles of the Company Secretary, Chief Financial Officer and Chief Compliance Officer and different Board Committees enable Standard Bank Limited to achieve excellence in corporate governance. As a listed Company, Standard Bank Limited must comply with the BSEC's revised CGG, which require the Company to provide a statement in the Annual Report disclosing the extent to which it has complied with the BSEC Corporate Governance circulars. The status of compliance shall be certified by a practicing Professional Accountant/ Secretary.

The Board duly complies with the guidelines issued by the Bangladesh Bank regarding the responsibility and accountability of the Board, its Chairman and Chief Executive/Managing Director, vide BRPD Circular No.11 dated October 27, 2013.

The Board of Directors is in full control of the Company's affairs and is also fully accountable to shareholders. It firmly believes that the success of the Company hinges on the credible corporate governance practices embraced by it. Taking this into consideration, the Board of Directors set out its strategic focus and supervises the business and the related affairs of the Company. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities, the Board carries out, inter alia, the following functions as per the charter of the Board and Bangladesh Bank's BRPD Circular No.11 dated October 27, 2013:

PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Good corporate governance stands on the following core principles:



STATEMENT OF CORPORATE GOVERNANCE |

REPORT ON COMPLIANCE WITH BEST PRACTICES ON CORPORATE GOVERNANCE

Principles	Practices
Leadership	
The role of the board	The Bank is headed by an effective board which is collectively responsible for its long-term success of the company. The board meets sufficiently regularly to discharge its duties effectively. There is a formal schedule of matters specifically reserved for its decision.
Division of responsibilities	There is a clear division of responsibilities at the head of the Bank between the running of the board and the executive responsibility for the running of the Bank's business. No one individual has unfettered powers of decision. The roles of the chairman and chief executive are not be exercised by the same individual.
The Chairman	The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role. The chairman promotes a culture of openness and ensures constructive relations between executive and non-executive directors. A chief executive does not go on to be chairman.

Principles	Practices
Non-executive directors	As part of their role as members of a unitary board, non-executive directors constructively challenges and helps develop proposals on strategy.
	Non-executive directors scrutinize management performance and the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust.
	They are also responsible for determining executive director remuneration and appointing and removing executive directors.
	The non-executive directors appraise the chairman's performance at least annually.
Effectiveness	
Composition of the board	The board and its committees have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively.
	The board includes an appropriate combination of executive and non-executive directors such that no individual or small group of individuals can dominate the board's decision taking.
	Non-executive directors comprise at least half of the board (excluding the chairman).
	The board determines whether non-executive directors are independent.
Appointments to the board	There is a formal, rigorous and transparent procedure for the appointment of new directors to the board.
	There is a nomination committee, which leads the process for board appointments and makes recommendations to the board. A majority of members on the nomination committee are independent non-executive directors.
	Non-executive directors are appointed for specified terms. Any terms beyond six years are subject to rigorous review.
Commitment of the Board	All directors are able to allocate sufficient time to the company to discharge their responsibilities effectively.
	The board does not agree to a full time executive director taking on more than one non-executive directorship in neither a DSE or CSE listed company or the chairmanship of such a company.
Development of Knowledge & Skill	All directors receive induction on joining the board and regularly update and refresh their skills and knowledge.
Information and support	The board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. The company secretary is responsible for ensuring good information flows and for advising the board through the chairman on all governance matters.
Evaluation of the Board Performance	The board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.
Re-election of the Board Member	All directors submit themselves for reelection at regular intervals and at least once every three years.
Accountability	
Financial reporting	The board presents a balanced and understandable assessment of the company's position and prospects.
	The directors explain in the annual report their responsibility for preparing the annual accounts and an explanation of their business model.
Risk management and internal control	The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board maintains sound risk management and internal control systems. The board, at least quarterly, conducts a review of the effectiveness of the Bank's risk management and internal control systems and report to shareholders that they have done so.

Principles	Practices
Audit committees and auditor	The board established formal and transparent arrangements for considering how they should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the company's auditor. The board established an audit committee of at least three (two for smaller companies) independent non-executive directors. At least one member of the audit committee has recent and relevant financial experience.
	The main role and responsibilities of the audit committee is set out in written terms of reference.
	The audit committee monitors and reviews the effectiveness of internal audit activities.
	The audit committee has primary responsibility for making a recommendation on the appointment and removal of the external auditor.
Remuneration	
The level and components of remuneration	Levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the company successfully, but the Bank avoids paying more than is necessary for this purpose. A significant proportion of the remuneration of the executive director is structured so as to link rewards to corporate and individual performance.
	Assessing executive remuneration in an imperfect market for executive skills may prove problematic. Performance conditions are relevant, stretching and designed to promote long-term success.
	Remuneration for non-executive directors reflects the time commitment and responsibilities of the role and does not include performance-related elements.
Procedure for developing policy	There is a formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors. No director is involved in setting their own remuneration.
	The board should determine the remuneration of non-executive directors.
Relations with shareholders	
Dialogue with shareholders	There is dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.
Constructive use of the AGM	The Board uses the AGM to communicate with investors and encourage their participation.
	Notice of the AGM and related papers are sent to shareholders at least 20 working days before the meeting.
	The Chairmen of the key sub-committees (audit, remuneration) are available to answer questions and all directors attend.
	Shareholders are able to vote separately on each substantially separate issue. The Bank counts all proxies and announce proxy votes for and against on all votes on a show of hands.

BOARD OF DIRECTORS, CHAIRMAN AND CEO

BOARD OF DIRECTORS

The Board of Standard Bank Limited considers that its constitution should comprise Directors with an appropriate mix of skill, experience and personal attributes that allow the Directors individually and the Board collectively to discharge their responsibilities and duties under the law efficiently and effectively understand the business of the Company and assess the performance of the management.

The composition of the Board embraces diversity. The Directors possess a wide range of local and international experience, expertise and specialized skills to assist in decision-making and leading the Company for the benefit of its shareholders.

NOMINATION COMMITTEE

The Nomination Committee is responsible for composition, balance and expertise of the Board as a whole and appraising the contribution of individual Directors, including a review of their time commitment and attendance records.

The Board, as a whole, decides on the nomination of any Board member and composition of the Board and its committees.

POLICY ON APPOINTMENT OF DIRECTORS

In relation to the selection and appointment of new Directors, the existing Board of Directors possesses the following duties and responsibilities:

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions;
- Identify any competencies not adequately represented and agree to the process necessary to be assured that a candidate nominated by the shareholders with those competencies is selected;
- The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, Bank Companies Act 1991 (amended in 2013) and the Articles of Standard Bank Limited;
- The CEO & Managing Director is appointed by the Board subject to the consent of the shareholders in the Annual General Meeting (AGM) and approval of Bangladesh Bank;

- Any change in the members of the Board requires intimation to the Bangladesh Bank, all scheduled banks and Financial Institutions (FIs), Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges.

BOARD INDUCTION

A formal letter of appointment setting out the director's duties and obligations is provided to every new director. Comprehensive and tailored induction is provided to incoming directors joining the Board. The induction program allows the director to assimilate into his or her new role as soon as possible.

ADEQUATE NUMBER OF INDEPENDENT DIRECTORS IN THE BOARD AND THEIR INDEPENDENCE

As per the revised Corporate Governance Guideline of Bangladesh Securities and Exchange Commission (BSEC), at least one-fifth of the total directors of the Board shall be Independent Directors. Thus, in compliance with the guideline, three (03) Directors out of the total sixteen (16) Directors are independent, having no share or interest in Standard Bank Limited. Independence of the respective Independent Directors is confirmed during selection and appointment of the Directors and they remain committed to continue with such independence throughout their tenure.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is committed to the Company to achieve superior financial performance and long-term prosperity, while meeting stakeholder expectations of sound corporate governance practices. The Board determines the corporate governance arrangements for the Company. As with all its business activities, the Board is proactive with regards to corporate governance and puts in place those arrangements that it considers are in the best interest of the Company and its shareholders and consistent with its responsibilities to other stakeholders.

Composition of the Board of Directors – Non-executive Directors and Independent Directors

All the directors of the Board are non-executive directors and almost one-fifth is Independent. Currently, there are two independent directors appointed by the Board and approved by the BSEC, Bangladesh Bank and the shareholders in the AGM.

SELECTION AND APPOINTMENT OF NEW DIRECTORS

With regards to selection and appointment of new directors, the existing Board of Directors has the following obligations and duties:

- Frequently assesses the size and structure of the Board and the mix of knowledge, skills, experience and perceptions that may be necessary to allow the Board to perform proficiently.
- Recognize any capabilities not sufficiently represented and approve the procedure necessary to be certain that an applicant designated by the shareholders with those capabilities is nominated.
- Casual posts, if any, are filled up by the Board in accordance with the conditions in the Companies Act and Articles of the Company.

Appointments of the Directors are also endorsed in the AGM by the Shareholders.

RETIREMENT AND RE-ELECTION OF DIRECTORS

As per Companies Act, each year one-third of the Directors retire from office at the AGM and if eligible, may offer themselves for re-election by shareholders at the Annual General meeting. In line with the requirement of Bank Company Act 1991, no Director should serve more than 3 years without seeking re-election at shareholders meeting.

CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTOR

As per Bank Companies Act 1991 (Amended 2013) at least 2 of the total directors should be Independent when total number of directors in a Bank is less than 20. As per the BSEC guidelines on Corporate Governance at least one fifth of the total Directors should be Independent Directors. Therefore, in compliance with BCA 1991 and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, Board of SBL nominated three independent directors (1/5th of total number of Directors) so that the Board contains core skills considered appropriate in the framework of the company. The three independent directors are Mr. S. S. Nizamuddin Ahmed, Mr. Najmul Huq Chowdhury and Mr. Md. Nazmus Salehin. The Board of Standard Bank affirms that the Independent Directors appointed by the Board are in compliance with the clauses of corporate governance guidelines released by the BSEC on Independent Directors.

INDEPENDENT DIRECTOR'S

INDEPENDENCE

In order for a Director to be eligible as an Independent Director, the Board establishes that the Director has no substantial relationship with SBL either as a partner, shareholder or officer of an organization that has a relationship with SBL that would prevent that nominee from becoming an Independent Director. For the purpose of true independence, Board decided that its Independent Director do not hold any share of the Company; not associated with the Company's Promoters or Directors or Shareholders who maintains one percent or more of the total paid up share of the Company; not related with the existing Directors or families; does not have any other relationship, whether monetary or otherwise with the company or its subsidiary/associate companies; not a member, Director or officer of any Stock exchange and who is not a shareholder, Director or officer of any stock exchange or an intermediary of the capital market. The Independent Director is appointed for a period of three years which may be extended by one term only. A person cannot be appointed Independent Director who has already been appointed such Director of three other listed companies. The Board ensures that all these guidelines are strictly followed by the Independent Directors appointed by them.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Standard Bank Board is responsible for the periodic review and approval of the overall strategies, business and significant policies of the Bank. The Board also sets the Bank's core values, adopts proper standards to ensure that the Bank operates with integrity, and complies with the relevant rules and regulations.

The Board's responsibilities are, but are not limited to:

- Reviewing and approving the strategies and business plans for the Bank.
- Approving the Bank's annual budget and carrying out periodic review of the achievements by the various operating divisions against their respective business targets.
- Prescribing the minimum standards and establishing policies on the management of credit risks and other key areas of the Bank's operations.
- Ensuring that the operating infrastructure, systems of control, systems for risk identification and management, financial and operational controls, are in place and properly implemented.
- Reviewing the adequacy and integrity of the Bank's internal control systems.
- Overseeing the conduct and performance of the Bank's businesses.

- Reviewing succession planning and talent management plans for the Bank and approving the appointment and compensation of senior management staff.
- Approving changes in the corporate organization structure.
- Approving policies relating to corporate branding, public relations, investor relations and shareholder communication program.

The Board duly complies with the guidelines issued by Bangladesh Bank, BSEC, Bank Company Act and Company Act regarding the responsibility and accountability of the Board, its Chairman and Managing Director.

BOARD OF DIRECTORS' RIGHT TO ACCESS TO RELEVANT INFORMATION AND CONFIDENTIALITY ACCORDING TO CODE OF CONDUCT

The Board of Directors follows a Code of Conduct which was adopted to provide guidance to directors to carry out their duties in an honest, responsible and business-like manner and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum and Articles of Association of the Company.

THE CODE OF CONDUCT STATES:

- The Members shall act honestly, in good faith and in the best interests of the shareholders and the company.
- The members shall not make improper use of information acquired as a director.
- The members shall not take improper advantage of the position as a director.
- The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the Board of Directors.
- Confidential information acquired by the members in the course of exercise of directorial duties shall remain the property of the company and it will be improper to disclose or allow it to be disclosed, unless that disclosure has been authorized by the company, or the person from whom the information has been received.
- Members shall make every effort to attend all Board and Committee Meetings during their tenure. They will not absent themselves without good reasons or confirming leave of absence.
- To maximize effectiveness of the Board/Committee Meetings, contribution of individual director shall be monitored and appraised on an annual basis.

- Board members having interest of any nature in the agenda of the meeting, shall declare beforehand the nature of their interest and withdraw from the room, unless they have a dispensation to speak.
- Training opportunities/orientation/workshops will be arranged for the members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, Code of Conduct etc.
- Members shall always maintain 'Fit and Proper Test Criteria', clean CIB status and other obligations declared by the Primary and other Regulators.
- Members shall be judicious about their entitlement of benefit/privileges as per Banking Companies Act -1991 and all circulars issued by Bangladesh Bank and shall be willing to produce supporting documents, if required.
- Members shall comply with Article 23.1 of the Bank's Memorandum and Articles of Association of the Company while making Sale-Buy of Company's share and shall refrain from making such transaction without formal declaration.

Every Director will assure annually signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors.

DIRECTORS' REMUNERATION

Directors are not eligible for any remuneration other than attendance fee for the Board and its Committee Meeting. As per BRPD Circular letter No.11, dated October 04, 2015, directors are eligible for remuneration of BDT 8,000 for attending each meeting but numbers of such Meeting are also prescribed in the said circular determining the numbers with or without remuneration.

CHAIRMAN OF THE BOARD

The Chairman of the Bank is elected by the Board of Directors and the Board considers the Chairman independent.

ROLE AND RESPONSIBILITIES OF THE CHAIRMAN

The role and responsibilities of the Chairman are:

- As the Chairman of the Board of Directors (or Chairman of any Committee formed by the Board of Directors) does not personally possess the jurisdiction to apply policy making or executive authority, he shall not participate in or interfere into the administration or operational and routine affairs of the bank.
- The Chairman may conduct on-site inspection of any

branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, he shall take necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised by the Bangladesh Bank through the Board along with the statement of the CEO.

Besides this, the Chairman may/shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank. The Chairman's responsibility is defined by the Board as directed by Bangladesh Bank and BSEC's notification on Corporate Governance Guidelines.

INDEPENDENCE OF THE CHAIRMAN OF ALL BOARD COMMITTEES

As per BRPD Circular no.11 dated October 27, 2013, the Bank has already formed 1 (one) executive committee, 1 (one) audit committee and 1 (one) risk management committee with the Directors. However, the Board did not form any other permanent, temporary or sub-committee except the above-mentioned three committees. Chairmen of each of the afore-said 3 (Three) committee exercises complete independence in discharge of their responsibilities.

CHAIRMAN AND CEO

The Chairman is independent of the CEO, and this has been in practice since inception of the Bank. This also complies with Section 1.4 of the BSEC's notification on Corporate Governance Guidelines.

NON-EXECUTIVE DIRECTOR'S INDEPENDENCE

All the Directors except the Managing Director are non-executive Directors in the Board. None of the Directors takes part in the day to day affairs of the Company. They attend only the Board/Committee meetings to discuss the agenda reserved for the Board/Committees.

POLICY ON TRAINING OF BOARD OF DIRECTORS

Standard Bank is fully committed to maintain highest standards of Corporate Governance & professionalism in driving the Bank's progress on the principles of transparency and openness. For this purpose, training at home and abroad especially on the Corporate Governance is encouraged by the Board. As such,

whenever opportunities arise, bank utilizes the same to train and orient its members. Last year, few Directors along with the Chairman attended a workshop titled "Revisiting Corporate Governance Regulations for Banks in Bangladesh" organized by Bangladesh Bank in association with IFC. Besides, the Board of Directors a training session on corporate governance arranged by BSEC. There are also records of Directors taking part in Training Courses abroad on Corporate Governance.

A Code of Conduct has been also adopted by the Board to be followed by its Members and annual compliance of the Code is ensured. Besides, all relevant regulations promulgated/ circulated time to time by the concerned authorities are placed to the Board Meeting on a regular basis to keep the members updated.

APPRAISAL OF THE BOARD'S PERFORMANCE

Standard Bank Limited doesn't have a scheme for annual appraisal of the Board's performance till date, but the Bank is abiding by the Code of Conduct prescribed by the regulators and formulated by the Board. The Board members have always taken decisions that have benefitted the Bank as a whole and they have always performed their duties accordingly. Another way of appraising the Board's performance is conducted by analyzing the execution of the projects and proposals sanctioned by it. A quarterly evaluation of classified and non-performing loans is continuously made by the Board. In addition, evaluation of the Board also takes place at the AGM by the Shareholders.

REPORT OF THE BOARD OF DIRECTORS REGARDING CONFLICTS OF INTEREST

In Financial Institution like Bank, there exists high possibility of arising conflicts of interest between Board of Directors and the management of the company. To avoid such unwanted situation, Standard Bank has segregated the responsibility/authority of these two interest groups of the bank. To avoid conflict of interest and also to make accountable the bank has already taken the a number of measures such as (i) Loan to the directors is restricted subject to fulfilling certain terms and conditions of regulatory guidelines. (ii) If there is any related party transaction, the management discloses the matter in the Annual Report and it is also approved by the general shareholders in AGM. (iii) Executive committee of the Board can approve loan to anyone up to a limited portion. (iv) Audit committee regularly reviews the financial and other related statements and gives recommendation to the management regarding any changes in policy and also presents to the Board for further evaluation. Board of directors' approval is needed for loan re-scheduling.

RELATED PARTY DISCLOSURE

The Bank has in place policies and procedures governing related party transactions. The Board approves all related party transactions and ensures that these transactions with the Company are undertaken on an arm's length basis. The Audit Committee reviewed all material related party transactions and kept the Board informed of such transactions. During the year, the Company had collected deposits from its Directors and their related parties. No preferential treatment had been extended to the Directors and their related parties for these deposits. Disclosure of related party transactions during the year is shown on notes to the financial statements.

DIRECTORS AND CLOSE RELATIVES ARE NOT INVOLVED IN ANY PURCHASE

The Bank has its standard "Procurement Policy" approved by its Board of Directors. The policy guideline delineates standard procurement procedures in order to protect the interest of the Bank. Therefore, there is no involvement of Directors and Close Relatives in any kind of purchase. However, the Board frames the policies and procedures for bank's purchase and procurement activities and accordingly approves the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business, however, be adopted with the approval of the Board.

ANNUAL EVALUATION OF THE CEO BY THE BOARD

There is a five year (2015-2019) Strategic Priorities & Capital Adequacy Plan for the evaluation of the CEO/ Management on an annual basis and it is revised from time to time by the Board.

The CEO is also evaluated on an annual basis and is also given KPI's for the years ahead. The Board has the capability to evaluate the CEO whenever it wishes so. All CEOs are evaluated after their term, and on the basis of their evaluation, reappointment for another term is considered by the Board.

At the start of each year, the Board participates in extensive discussions with the Managing Director and decides on financial and non-financial objectives. The annual financial budget are considered and decided by the Board at the beginning of the financial year. The business and financial goals are assessed each quarter with actual accomplishments by the Board. The non-financial successes are also evaluated by the Board in each quarter. Furthermore, a yearly appraisal and assessment of the accomplishments of goals are made

at the end of the year along with deviations.

A few mentionable KPIs for the CEO are to meet the annual budgetary targets of the Bank which was approved by the Board, maximize shareholders value through desired ROA, ROI, ROE and EPS as per expectation of the Board, sustainable growth on investment and revenue for the Bank, gradually reducing the NPL ratio and improvement in the score for CAMELS rating.

Board contains members with expert knowledge and responsibility for informing board of corporate regulatory roles and responsibilities and implications.

The Board of Directors of Standard Bank Limited comprises of members who boast a wide diversity of knowledge and experience in finance, economics, management, business administration, marketing etc. This is to ensure that together, they can devise the appropriate policy for the growth of the bank while having expertise, ability to perceive matters in a bigger perspective and adequate independence to review the management in a sensible manner. Mr. Kazi Akram Uddin Ahmed, the Hon'ble Chairman of Bank, has Diploma in Personal Management in UK and Industrial Management Training from Switzerland. The Bank's Independent Director, Mr. S. S. Nizamuddin Ahmed has vast knowledge in banking sector as a senior banker having over 50 years of different public and private banks in Bangladesh including Standard Bank Limited. Besides, two (2) of the Directors of the bank namely Mr. Ashok Kumar Saha and Mr. Md. Zahedul Hoque have advanced degrees in Business Administration from USA.

ROLE AND RESPONSIBILITIES OF THE CEO

The responsibilities and authorities of the Managing Director are as follows:

- A. In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plans, efficient implementation thereof and prudent administrative and financial management.
- B. The CEO shall ensure compliance of the Bank Companies Act, 1991 and/or other relevant laws and regulations in discharge of routine functions of the bank.
- C. The CEO shall include information on violation of any law, rules, regulation including Bank Company Act, 1991 while presenting memos before the Board or the committee formed by the Board.
- D. CEO will provide all sorts of information to Bangladesh Bank about the violation of Banking Companies Act, 1991 and/ or any violation of Laws, rules and regulations.

- E. The recruitment and promotion of all staff of the Bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the Board. The Board or the Chairman of any committee of the Board or any director shall not get involved or interfere into such affairs.
- F. The authority relating to transfer of and disciplinary measures against the staff, except those at one tier below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he shall nominate officers for training

Besides, the Managing Director shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.

BOARD MEETINGS

The Board meets as required to discuss business strategy, financial performance, matters pertaining to compliance and governance as well as reports on matters deliberated by the respective committees. The Board reviews, amongst others, the financial performance of the Bank and subsidiaries, risk management and compliance reports and approve the quarterly results of the Bank at its meeting. In addition, Special Board meetings are held when necessary, to deliberate on major transactions and ad-hoc matters that require the Board's urgent attention and decisions. A Board meeting is held at the beginning of the year to discuss the Bank's Business plan and budget.

Meeting papers on the proposals and reports are delivered to the Directors prior to the meetings, giving them sufficient time to evaluate the proposals. Paperless meeting has been introduced using in-house developed software. This enables the Board to function and discharge their responsibilities effectively. The minimum information required for the Board to make an informed and effective decision includes background, objective, key issues, rationale, financial and non-financial impact of the proposal. Directors who are unable to attend a meeting due to unavoidable circumstances are encouraged to provide feedback to the Chairman on matters to be deliberated for their views to be given due consideration at the meetings.

ROLE OF THE COMPANY SECRETARY

Company Secretary is responsible for advising the Board on issues relating to compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Bank, as well as best practices of governance. He is also responsible for advising the Directors of

their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Bank, prohibited to deal in securities and restricted to disclose any price-sensitive information.

The responsibilities of the Company Secretary comprises of:

- i. Ensuring the compliance of the Bank in relation to financial and legal practices, as well as issues of corporate governance. He acts as a point of communication between the management, Board of directors, company shareholders, reporting in a timely and accurate manner on company procedures and developments.
- ii. Ensure the Bank complies with its governing document, policies, company law and any other relevant legislation i.e. regulations with Bangladesh Bank, Securities and Exchange Commission (BSEC) and Registrar of Joint Stock Companies etc. Support and advise the Chair by ensuring the smooth functioning of the Board. Work in partnership with the Chief Executive and other Trustees to ensure the activities & operations of the Bank.
- iii. Support the Chairman in the smooth functioning of the Board. Receive agenda items from other Directors/staff and ensure appropriate agenda items are tabled at Board meetings. This is done in consultation with the Chief Executive Officer and the Chair who is responsible for preparing Board meeting agendas.
- iv. In line with Bangladesh Bank guidelines the company secretary has to act as the Secretary to the Audit Committee, Risk Management Committee and Executive Committee of the Board of Directors. In this area of risk mitigation, the Company Secretary has a pivotal role to play in support of the members of the Audit Committee, Risk Management Division, Audit & Inspection Division and Internal Control & Compliance Division.
- v. Act as a custodian of Banks governing documents and policies. Ensure the Bank pursues its objects as defined in its governing document. He should act as a custodian of the interests of the Bank. So it is his Standard duty to protect and safeguard such interests of the Bank at all levels: statutory, administrative, and arbitrational and in other policy matters. He should also ensure that Board meeting minutes are signed by the Chair once they have been confirmed and copies filed and kept at the Bank.
- vi. Ensure the appointment of Bank's board members, that those appointed are not disqualified in law and are eligible to be members under the provisions of the governing documents and policies, and that the appointment procedure laid down in the governing document and policies is followed.

- vii. Make sure that the Directors have information to enable them to comply with the decisions and fulfill their responsibilities. This includes organizing the induction of new Directors also.
- viii. Ensure that Board meetings are held in compliance with Bank's governing documents and arrangements for the meetings are made.
- ix. Confirms that Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) are run effectively and in accordance with the provisions of Bank's governing document. This includes checking that a quorum is present. Also make sure that agendas and minutes of AGMs and EGMs are circulated timely.
- x. File the annual list of members and summary of share capital together with the authenticated Balance Sheet and the Profit and Loss account. Issue Dividend Warrants, bonus share certificates and make arrangement for disposal of fractional shares, if any.
- xi. Maintain strict confidentiality of information, manage situations like conflict of interest, identify problems and implement or recommend solutions.
- xii. Maintain and liaise with various corporate bodies viz. BAB, ABB, Chambers/other bodies, regulators.

Standard on General Meetings, (iii) Secretarial Standard on Minutes and (iv) Secretarial Standard on Dividend. As a listed banking organization, Standard Bank Limited has been meticulously following all of the afore-said standards of ICSB.

VISION, MISSION AND STRATEGY APPROVED BY THE BOARD

Vision/Mission approved by Directors

The Board of Directors has approved the vision and mission statements of Standard Bank and strictly adheres to it. They strongly believe in the vision and mission set for the Bank and try to apply those in every business context possible. The Vision and Mission statements can be found in this report.

Business objectives and areas of business focus

SBL's Board always sets business objectives and areas for focus in consistency with the market. The latest business objectives and areas of business focus can be found in the "Statement Regarding Forward Looking Approach" section of the annual report.

Strategies to achieve the business objectives

SBL always sets up a Strategic Action Plan in the beginning of the year to align with the business objectives and strategies for the year. The Board always gives direction to the management of the Bank on how to steer the Bank forward for the upcoming year. Strategies set to achieve the business objectives can be found in the "Strategic Priority" section of the annual report.

DISCLOSURE REGARDING COMPLIANCE OF ICSB SECRETARIAL STANDARD

Institute of Chartered Secretaries of Bangladesh (ICSB) has so far issued 4 (Four) Secretarial Standards in Bangladesh which are (i) Secretarial Standard on meetings of the Board of Directors, (ii) Secretarial

AUDIT COMMITTEE

CHAIRMAN IS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The Chairman of the Audit Committee is a BSEC approved independent non-executive director, who is not involved in the day to day operations of the Bank. He is an experienced individual and qualified to be the Chairman of the Audit Committee. The Chairman is one of the most senior bankers of the country having over 50 years of experience in the banking sector.



INTERNAL AUDIT ACTIVITY CHARTER

The Audit Committee established a terms of reference (TOR) so that it could function effectively and smoothly. The TOR was created to define the roles and responsibilities of the Audit Committee. The committee is also empowered to investigate/question employees and retain external counsel when required.

COMPOSITION OF THE AUDIT COMMITTEE

As per BRPD Circular No.11 dated October 27, 2013 of Bangladesh Bank; the current Audit Committee consists of 5 members including 3 Independent Directors. All members of the Audit Committee are non-executive directors.

ALL MEMBERS SUITABLY QUALIFIED

All members of the Audit Committee are qualified and have years of experience in banking and financial sectors reforms. They are also very competent and come from a variety of educational backgrounds, which brings diversity in the committee. A member of the audit committee brings a high level of expertise in the areas of finance and accounting to the committee.

REPORTING OF INTERNAL AUDITOR (ICC & INTERNAL AUDIT) TO THE AUDIT COMMITTEE

The Internal Auditor of the Bank regularly reports to the Audit Committee of the Board in compliance Bangladesh Bank's BRPD Circular no.11 dated 27 October 2013 and Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The details of the reporting activity have been furnished in separate section namely "Report of the Audit Committee".

HEAD OF INTERNAL AUDIT'S ACCESS IN THE AUDIT COMMITTEE

The Head of Internal Audit always has access to the audit committee and can raise his concerns whenever required.

TERMS OF REFERENCE

To steer the Audit Committee forward, a terms of reference (TOR) has been established. According to the TOR for the Audit Committee, some of the roles and responsibilities are as follows:

1.0 Purpose

To monitor and review the formal arrangements established by the Board in respect of:

- i) Oversight of the financial reporting process.
- ii) Monitoring choice of accounting policies and principles.
- iii) Monitoring Internal Control Risk management process.
- iv) Oversight of hiring and performance of external auditors.
- v) Review along with the management, the annual financial statements before submission to the board for approval.
- vi) Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.
- vii) Review the adequacy of internal audit function.
- viii) Review statement of significant related party transactions submitted by the management.
- ix) Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.
- x) The financial reporting and narrative reporting of the Bank
- xi) The effectiveness of the internal controls and the risk management framework
- xii) Whistle blowing
- xiii) Internal audit process
- xiv) External auditors' appointment/reappointment.

The Committee will act independently to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control, always within the principle of all directors having a duty to act in the interests of the Bank and all directors remaining equally responsible for the Company's affairs.

2.0 Authority

The Audit Committee is an assistive committee of the Board of the Company. The Committee is authorized by the Board to:

- a. Investigate any activity within its terms of reference and have such direct access to the resources of the Bank as it may reasonably require
- b. Report on conflicts of interests;
- c. Seek any information that it requires from any employee, and all employees are directed to cooperate with any request made by the Committee
- d. Report on suspected infringement of laws, including securities related laws, rules and regulations;

- e. Report on suspected or presumed fraud or irregularity or material defect in the internal control system;
- f. Report on any other matter which shall be disclosed to the Board of Directors immediately.
- g. Engage outside legal or other independent professional advisers and obtain appropriate funding for the payment of relevant fees and expenses.

Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company it shall report its views to the Board of the Company. In the event of any disagreement between the Committee; members and the rest of the Board, such matters will be resolved at Board level.

3.0 Responsibilities

Financial Affairs of the Group

- To monitor the integrity of the financial statements of the Bank (and any discussion or analysis thereof including annual and interim reports), and any formal announcements relating to the Bank's actual and forecast financial performance, reviewing significant financial reporting judgments contained in them.
- To review any unusual items or matters brought to its attention requiring the exercise of managerial judgment affecting the preparation of the statements and announcements
- To provide a forum for the discussion and resolution of areas of disagreement in relation to the statements and announcements, e.g. between management and the External Auditor

Accounting, Financial Reporting and Regulatory Compliance

- To review, and challenge where necessary, the actions, estimates and judgments of management (and any changes in them), in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
 - (1) Significant accounting policies and practices, and any changes in them
 - (2) Disclosures and estimates requiring a major element of judgment
 - (3) The extent to which the financial statements are affected by any unusual transactions in the year, the methods used to account for any significant or unusual transactions where different approaches are possible, and how such transactions are disclosed
 - (4) The clarity and completeness of disclosures, and the context within which financial statements are made

- (5) Compliance with accounting standards
- (6) Compliance with legal and regulatory requirements
- (7) The going concern assumption
- (8) The representation letter to the auditors; and
- (9) All material information presented with the financial statements including the business review, and corporate governance statements relating to the audit and risk management.

- To review the controls and procedures established by management for compliance with regulatory and financial reporting requirements and with the requirements of external regulators
- To review the content of the annual report and accounts and advise the Board on whether, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy. The review undertaken by the Committee should assess whether the narrative is consistent with the accounting information.

ADVERSE REMARKS OF AUDITORS' REPORT

There is no adverse remark in Auditors' Report regarding any issue whatsoever.

SEPARATE INTERNAL AUDIT DEPARTMENT DISCLOSURE

There is a separate section in annual report namely Report of the Audit Committee where there is detailed disclosure on the activities of the Audit Department during 2018.

WRITTEN POLICY OF INTERNAL AUDITOR

In light of the Guidelines on Internal Control & Compliance in Banks issued by Bangladesh Bank, Standard Bank Limited has already prepared its own core risk guideline delineating operational aspects of Internal Audit Department. The Bank also has different checklists for compliance of the instructions set out in the said guidelines.

STANDARDS OF INTERNAL CONTROL

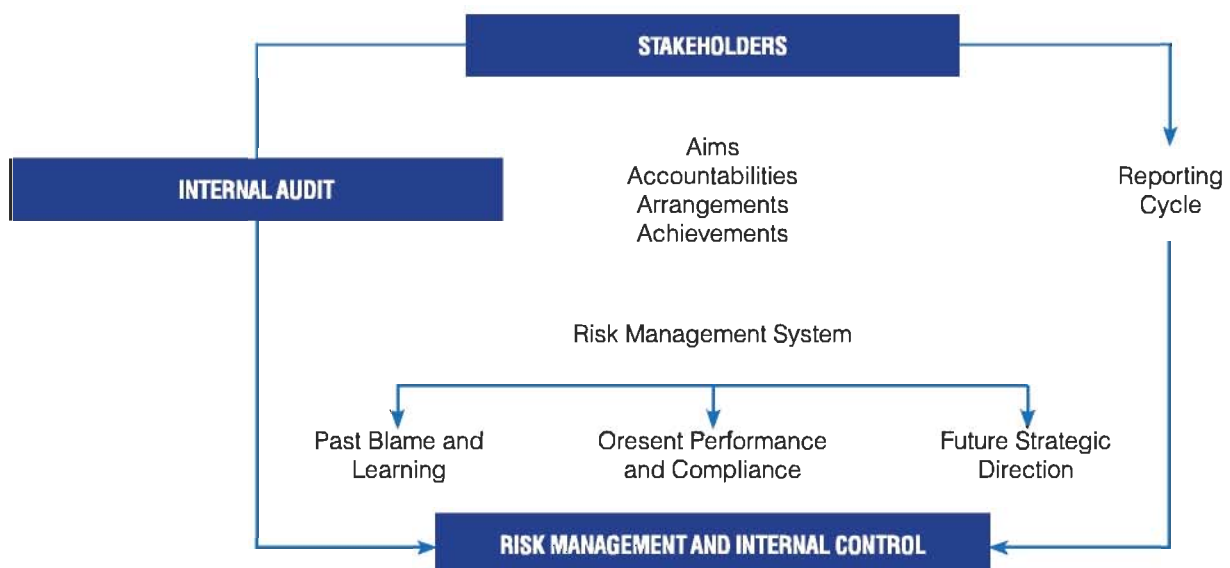
- To review the arrangements of the Bank's systems of internal controls in relation to financial management, compliance with laws and regulations and safeguarding of assets, and the procedures for monitoring the effectiveness of such controls

- To monitor any significant deficiencies and material weaknesses in internal controls and disclosure controls and procedures, as reported by Internal Audit and the External Auditor, and the implementation by management of appropriate remedial action
- To review arrangements for the receipt, retention and treatment of complaints including those regarding accounting, internal accounting controls or auditing matters. To review procedures by which employees may, in confidence and with anonymity, raise concerns including those of questionable financial reporting, accounting or auditing matters.
- To monitor and review in broad terms the scope, nature of the work and effectiveness of Internal Audit and to receive and review its reports, findings and recommendations covering key operating risks.
- Review the arrangements made by the management for building a suitable Management Information System (MIS) including computerization system and its application
- Review the existing risk management procedures for ensuring an effective internal check and control system
- Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have understanding of their roles and responsibilities
- Review the corrective measures taken by the management as regards the reports relating to

fraud-forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the Board on a regular basis

THE GROUP'S RELATIONSHIP WITH ITS EXTERNAL AUDITORS

- Make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, on the appointment, reappointment and removal of the external auditor. The Audit Committee shall oversee the process for selecting the external auditor
- Oversee the relationship with the external auditor, including:
 - a) Approving the terms of engagement (and the engagement letter) of the external auditor, including the remuneration to be paid
 - b) Assessing the external auditor's effectiveness, independence and objectivity, ensuring that key partners are rotated at appropriate intervals
 - c) Agreeing the policy for, and where required by that policy, approving the provision of non-audit services by the external auditor and the related remuneration
 - d) Agreeing with the Board a policy on the employment of former employees of the Bank's auditor, and monitoring the implementation of this policy



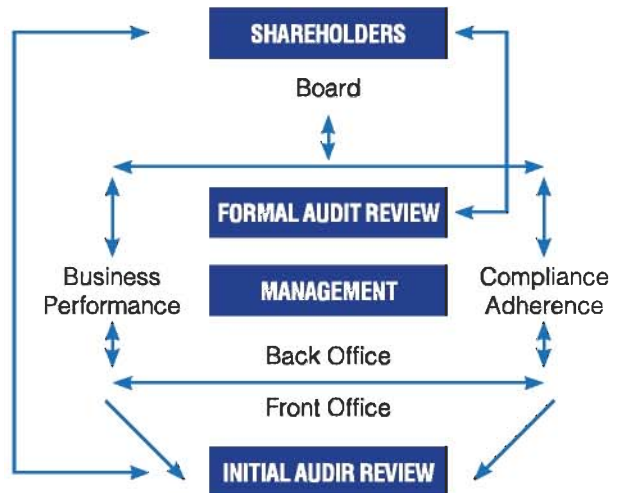
- Review and approve the annual audit plan, and ensure that it is consistent with the scope of the audit engagement, and coordinated with the activities of the Internal Audit function
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements
- Review the findings of the audit with the external auditor, considering the external auditor's management letter and management's responsiveness to the auditor's findings and recommendations
- Review reports prepared by the external auditor as the Audit Committee shall require, considering management's response to any major external audit recommendations
- Review annually and report to the Board on the qualification, expertise and resources, and independence of the external auditors and the effectiveness of the audit process, with a recommendation on whether to propose to the shareholders that the external auditor be re-appointed. The assessment should cover all aspects of the audit service provided by the audit firm, and include obtaining a reporting on the audit firm's own internal quality control procedures and consideration of the audit firm's annual transparency report where available
- Ensure that the Audit Committee section of the annual report should include an explanation of how the Committee has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, including length of term
- Review the audit representation letters before signature, giving particular consideration to any non-standard issues within the representations.

OTHER RESPONSIBILITIES

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

AUDIT COMMITTEE'S REVIEW ON INTERNAL CONTROLS

The Internal Audit Division of the Bank reviews the internal control systems of the Bank and ensures that internal controls are considered properly managed and satisfactorily supervised.



The Internal Audit Division reviews internal controls throughout all divisions/branches of the Bank and then reports to the Audit Committee on their findings. The Audit Committee then reviews the report submitted by the Internal Audit Division, and provides feedback on the lapses found. The Audit Committee also guides the Internal Audit Division on how to properly monitor internal control and ensure that internal controls are being correctly administered throughout the Bank. The Audit Committee is committed that internal controls are well conceived, properly administered and satisfactorily monitored by the Bank in 2018.

AUDIT COMMITTEE'S ROLE IN COMPLIANCE WITH LAWS AND REGULATIONS

SBL being a part of the banking industry in Bangladesh is obliged to act in accordance with applicable laws and regulations. There are several regulatory authorities, primarily Bangladesh Bank, who are associated with the company's operation and performance. The Audit Committee supervises and guarantees the Board, that the company obeys all the applicable laws, rules and regulations of various regulatory authorities. The Audit Committee takes all measures to ensure that SBL complies with all laws and regulations and that all statutory dues are being settled timely.

AUDIT COMMITTEE'S CONTRIBUTION IN THE EXTERNAL AUDIT FUNCTION

The Audit Committee analyses the audited financial statements with management and the external auditors to ensure that the Company's financial statements are objectively presented in compliance with the relevant Bangladesh Financial Reporting Standards, International Financial Reporting Standards and Bangladesh Accounting Standards in all substantial aspects, based on its review and consultations with management and the external auditors. External Auditors' are requested to attend the Audit Committee meeting where Financial Statements of SBL is placed for review and recommendation. The Committee also implements an annual assessment of the efficiency of the Company's Internal Audit function and certifies that Internal Audit has sufficient resources to accomplish its duties.

The Audit Committee has quite a few roles regarding the external audit functions:

1. Ensure effective coordination of external audit function

Frequent and open interaction between the Audit Committee and the auditor is necessary to acquire the information it needs to accomplish its responsibilities to administer the company's financial reporting processes. The quality of communications also provides opportunities to assess the auditor's performance. The auditors should correspond with the audit committee as noteworthy issues develop. Such communications will emphasize on the key accounting or auditing issues that, in the auditor's finding, give rise to a greater risk of material misstatement of the financial statements, as well as any questions or concerns of the Audit Committee. Through proper communication, the Audit Committee ensures the effective coordination of the external audit function.

2. Ensure independence of external audit function

The auditor must be independent of Standard Bank Limited. Audit committee is familiar with the statutory and regulatory independence requirements for auditors. The technical competency of the auditor alone is not appropriate to ensure a high-quality audit. The auditor also must exercise a high level of objectivity and professional skepticism. The Audit Committee's interactions with the auditor during the audit provide numerous opportunities to evaluate whether the auditor demonstrated integrity, objectivity and professional skepticism.

3. Review the external auditors' findings

Review the external auditors' findings in order to be satisfied that appropriate action is being taken. There are many reviews that happen throughout the entire process during the Audit Committee meetings held. The Audit

Committee extensively reviews all findings of the external auditors and ensures that management is informed and is taking action for resolving any discrepancies. Before the financial statements are signed, the audit committee reviews all the findings and ensures that they are satisfied with the actions that management has taken.

4. Review and approve non-audit

Review and approve non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditor

External auditors should not carry out work that does not relate directly to the discharge of audit functions, if it would impair the auditors' independence, or might give rise to a reasonable perception that their independence could be impaired. The Audit Committee must ensure that external auditors do not undertake any work that might compromise their independence. If any work is being done by the external auditors, the Audit Committee must approve before the work commences. In short, the Audit Committee is responsible that the independence of the external auditors is not compromised under any circumstance.

5. Recommend external auditor for appointment/reappointment

The Audit Committee does an extensive review on the audit work done by the auditors after the audited financial statements have been signed. The Audit Committee evaluates the auditors on a very detailed level, and ensures that there were no threats to independence or any other issues with the auditors. The Audit Committee scrutinizes the applications of the auditors and recommends for appointment/reappointment for the next year/AGM as per law.

AUDIT COMMITTEE'S INVOLVEMENT IN SELECTION OF APPROPRIATE ACCOUNTING POLICIES

The Audit Committee shall support the Board of Directors in certifying that the financial statements reflect a true and fair view of the company and is maintaining a good supervising system within the Bank. The Board delegates the duty to the Audit Committee to decide on the appropriate accounting policies that are in line with applicable accounting standards as applicable and adopted by the ICAB, IFRS, IAS and Bangladesh Securities and Exchange Commission. After choosing the appropriate accounting policies, the Audit Committee recommends the Board concerning implementation of the selected accounting guidelines. The Board subsequently accepts the selected accounting policies for implementation.

AUDIT COMMITTEE'S INVOLVEMENT IN THE REVIEW OF ANNUAL AND INTERIM FINANCIAL REPORTS

As per the Corporate Governance guideline of BSEC, the Audit Committee is expected to assess alongside with management, the interim and annual financial statements before proposing to the Board for consent. SBL's Audit Committee appraises the interim and annual financial releases whether audited or unaudited and places it before the Board for approval. The Audit Committee always ensures that the financial statements reflect a true and fair view of the company and analyzes the financials for any discrepancies.

RELIABILITY OF MANAGEMENT INFORMATION USED FOR COMPUTATION IN FINANCIALS

The Audit committee ensures that the management information used for computation in the financials is true and fair. In order to ensure reliability of the information, the Audit Committee always has an extensive meeting with management regarding issues of the financial statements. The Audit Committee queries management on issues that they find material to the financial statements and makes sure that management has a proper response to their queries. Through meetings with management the Audit Committee is able to understand the reliability of the information used for computation in the financials. Management always assures that the information presented is fair and true and that all the information is derived from the system of the Bank.

INTERNAL CONTROL

A system of effective internal controls is a critical component of bank management and a foundation for the safe and sound operation of the organization. A system of strong internal controls can help ensure that the goals and objectives of a banking organization will be met, that the Bank will achieve long-term profitability targets, and maintain reliable financial and managerial reporting. Such a system can also help ensure that the Bank will comply with laws and regulations as well as policies, plans, internal rules and procedures, and decrease the risk of unexpected losses or damage to the Bank's reputation.

Internal control is a process established by the Board of Directors, senior management and all levels of personnel. It is not solely a procedure or policy that is performed at a certain point in time, but rather it is continually operating at all levels within the Bank. The Board of Directors and senior management are responsible for establishing the appropriate culture to facilitate an effective internal control process and for monitoring its effectiveness on an ongoing basis; however, each individual within

an organization must participate in the process. The main objectives of the internal control process can be categorized as follows:

1. Efficiency and effectiveness of activities (performance objectives);
2. Reliability, completeness and timeliness of financial and management information (information objectives); and
3. Compliance with applicable laws and regulations (compliance objectives).

Performance objectives for internal controls pertain to the effectiveness and efficiency of the Bank in using its assets and other resources and protecting the bank from loss.

Information objectives address the preparation of timely, reliable, relevant reports needed for decision-making within the banking organization. They also address the need for reliable annual accounts, other financial statements and other financial-related disclosures and reports to shareholders, supervisors, and other external parties.

Compliance objectives ensure that all banking business complies with applicable laws and regulations, supervisory requirements, and the organization's policies and procedures. This objective must be met in order to protect the Bank's reputation.

DIRECTOR'S RESPONSIBILITY TO ESTABLISH APPROPRIATE SYSTEM OF INTERNAL CONTROL

The Board of Directors has always been extremely active in establishing appropriate systems of internal control. The Board of Directors has no sympathy for any type of fraud in the Bank, and always promotes a sound and strong internal control system inside the Bank. The Board of Directors has always appreciated the internal controls that have been set up by management and have also given advice on any matters when required. The Board has always been very responsible and active in establishing an appropriate system of internal control.

KEY FEATURES OF INTERNAL CONTROL SYSTEM AND THE MANNER IN WHICH THE SYSTEM IS MONITORED

Key features of Internal Control System are as follows:

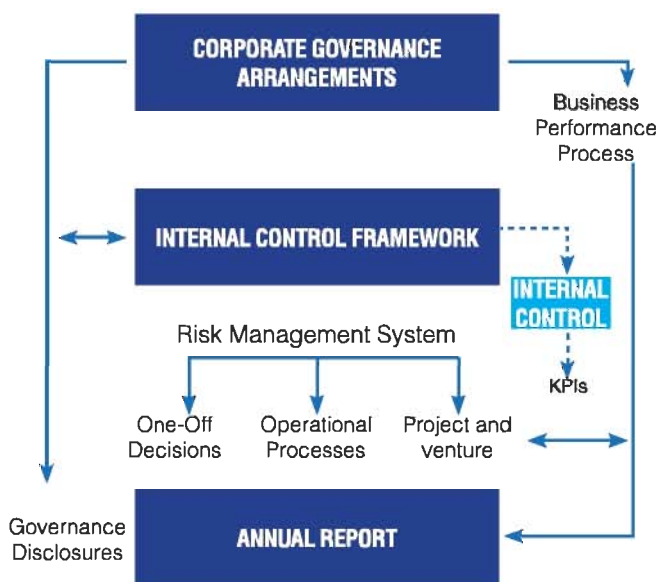
1. Management oversight and the control culture
2. Risk recognition and assessment
3. Control activities and segregation of duties
4. Information and communication
5. Monitoring activities and correcting deficiencies

MANAGEMENT OVERSIGHT AND THE CONTROL CULTURE

The Board of Directors provides governance, guidance and oversight to senior management. It is responsible for approving and reviewing the overall business strategies and significant policies of the organization. The Board of Directors has the ultimate responsibility for ensuring that an adequate and effective system of internal controls is established and maintained.

Senior management is responsible for carrying out the directives of the Board of Directors, including the implementation of strategies and policies and the establishment of an effective system of internal control.

An essential element of an effective system of internal control is a strong control culture. It is the responsibility of the Board of Directors and senior management to emphasize the importance of internal control through their actions and words. This includes the ethical values that management displays in their business dealings, both inside and outside the organization.



RISK RECOGNITION AND ASSESSMENT

An effective internal control system requires that the material risks that could adversely affect the achievement of the Bank's goals are being recognized and continually assessed. This assessment should cover all risks facing the Bank (which are credit risk, country and transfer risk, market risk, interest rate risk, liquidity risk, operational risk, legal risk and reputational risk). Internal controls may need to be revised to appropriately address any new or previously uncontrolled risks.

CONTROL ACTIVITIES AND SEGREGATION OF DUTIES

Control activities should be an integral part of the daily activities of a bank. An effective internal control system requires that an appropriate control structure is set up, with control activities defined at every business level. These should include: top level reviews; appropriate activity controls for different departments or divisions; physical controls; checking for compliance with exposure limits and follow-up on noncompliance; a system of approvals and authorizations and, a system of verification and reconciliation.

INFORMATION AND COMMUNICATION

An effective internal control system requires there are adequate and comprehensive internal financial, operational and compliance data, as well as external market information about events and conditions that are relevant to decision making. Information should be reliable, timely, accessible, and provided in a consistent format.

MONITORING ACTIVITIES AND CORRECTING DEFICIENCIES

The overall effectiveness of the Bank's internal controls should be monitored on an ongoing basis. Monitoring of key risks should be part of the daily activities of the bank as well as periodic evaluations by the business lines and internal audit.

The Board of Directors of Standard Bank performs the following activities to monitor the Internal Control System:

1. Periodic discussions with management concerning the effectiveness of the internal control system.
2. Timely review of evaluations of internal controls made by management, internal auditors, and external auditors.
3. Periodic efforts to ensure that management has promptly followed up on recommendations and concerns expressed by auditors and supervisory authorities on internal control weaknesses.
4. Periodic review of the appropriateness of the bank's strategy and risk limits.

Through the establishment of the Audit Committee, the Board of Directors monitors the effectiveness of internal control system. The Audit Committee evaluates whether management is setting the appropriate compliance culture by communicating the importance of internal control among the employees. They also review the corrective measures taken by the management relating to operational lapses.

Senior management of Standard Bank develops processes that identify, measure, monitor and control risks incurred by the Bank; maintains an organizational structure that clearly assigns responsibility, authority and reporting relationships; ensures that delegated responsibilities are being carried out effectively; sets appropriate internal control policies; and monitors the adequacy and effectiveness of the internal control system. They ensure proper control through techniques such as top level reviews, activity controls, physical controls, compliance with exposure limit, approvals & authorizations and verification & reconciliation of transactions of the Bank.

REVIEW OF THE ADEQUACY OF THE SYSTEM OF INTERNAL CONTROLS BY DIRECTORS

In almost every Audit Committee meeting the issue of adequacy of the system of internal controls is a factor that is taken into consideration. The Audit Committee is responsible to the Board of Directors to ensure that the system of internal controls is adequate to protect against any type of fraud. The Committee has reviewed the corrective measures taken by management relating to fraud-forgery and deficiencies in internal control.

The Audit Committee places all the compliance report before the Board of Directors and regulators on a timely basis and has performed all other oversight functions in relation to Internal Control System of the Bank. In this way, the Directors review the adequacy of the system of internal controls.

IDENTIFICATION OF RISKS TO WHICH SBL IS EXPOSED INTERNALLY AND EXTERNALLY

Banking industry is unique in many ways and one of the features that set it apart from other business is the diversity and complexity of the risks it is exposed to. Deregulated regimes along with globalization of business have opened new frontiers that warrant risk management an even greater priority. The failure to adequately manage these risks exposes banks not only to business losses but also may result in circumstances that they cannot remain in business. Following are the core risk areas of banking:

1. Credit Risk including Environment Risk
2. Asset and Liability/Balance Sheet Risk
3. Foreign Exchange Risk
4. Internal Control and Compliance risk
5. Money laundering Risk
6. Information and Communication Technology Security Risk

Banking companies in Bangladesh, while conducting day-to-day operations, may face some other risks both internally and externally:

- Credit risk also includes concentration risk, country risk, transfer risk, and settlement risk
- Market risk (including interest rate risk in the banking book, foreign exchange risk and equity market risk)
- Liquidity Risk
- Operational Risk
- Strategic Risk
- Reputation Risk

STRATEGIES ADOPTED TO MANAGE AND MITIGATE THE RISKS:

Standard Bank adopted the following strategies to manage and mitigate the risk:

- Setting targets for capital ratios and capital composition
- Managing the balance sheet
- Managing the funding structure
- Determining general principles for measuring, managing, and reporting the bank's risks
- Developing risk policies for business units
- Determining the overall investment strategy
- Identifying, monitoring, and managing the Bank's current and potential operational risk exposures
- Handling "critical risks" (risks that require follow-up and further reporting)
- Following up on reviews by and reports from Bangladesh Bank and informing the Board of issues affecting the Bank's operational risks
- Following up on reports prepared by Internal Audit and informing the Board through Audit Committee of unusual circumstances
- Preparing management information on issues such as IT security, physical security, business continuity, and compliance.

More information regarding Risk management techniques used by management to identify and mitigate risk can be found in the Risk Management Report.

ETHICS AND COMPLIANCE

Standard Bank is always committed to establishing the highest level of business compliance and ethical standard.

The Bank has an 'Employee Code of Ethics and Business

Conduct' – a framework of ethical behavior for all the employees of the organization.

The leaders/managers are required to exemplify the highest standards of conduct and ethical behavior. The leaders/ managers are expected to:

- Lead according to Standard Bank standards of ethical conduct, in both words and actions.
- Create and maintain an environment where employees feel comfortable asking questions or reporting concerns.
- Be diligent in enforcing the Bank's ethical standards and taking appropriate action if violations occur.
- Contact the Human Resources Division when in need of assistance.

The Employee Code of Ethics and Business Compliance also specify the grounds of punishment to refrain employees from any unwanted behavior. For instances, an employee shall be liable to disciplinary actions, if he/she:

- Is convicted of any offence involving moral turpitude; or
- Is corrupt or may reasonably be considered to be corrupt; or
- Assumes a style of living beyond his/her ostensible means; or
- Is engaged or is reasonably suspected of being engaged in subversive activities, or is reasonably suspected of being associated with others engaged in subversive activities, and whose retention in service is therefore considered prejudicial to national security; or
- Is in possession of pecuniary resources or property disproportionate to his/her known sources of income etc.

The code of employee ethical behavior gives focus on the followings:

- Protecting Privacy of Customers' and Confidential Company Information,
- Preventing Money Laundering and/or Fraud,
- Avoiding Drug/Substance/Alcohol Abuse in the Workplace
- Protecting Bank's assets
- Avoiding any conflict of interest etc.

Each of the above stated issue is properly explained as separate section in the 'Employee Code of Ethics and Business Conduct'.

INTEGRITY

The 'Employee Code of Ethics and Business Conduct' starts with the phrase "Uncompromising integrity". Employees of Standard Bank are judged not only in terms of competencies, but also with their integrity. The reputation and continued success of Standard Bank largely depend on a shared commitment to the core value of integrity. Respecting this value is the responsibility of each and every member of the organization.

CONFLICT OF INTEREST

The Code of Ethics and Business Conduct aware employees to avoid situations where their personal interests conflict, or may appear to conflict, with those of the Bank. Employees are advised to take particular care when they are responsible for dealing with customers, suppliers, agents on behalf of the Bank. Any failure to disclose a conflict of interest leads to a disciplinary action.

COMPLIANCE WITH THE LAWS AND REGULATIONS

Standard Bank maintains its reputation as a law-abiding organization and a good corporate citizen. It complies with all the prevailing laws and regulations of the country. Employees are trained and guided to conduct business in compliant manner. The policy and procedures regarding Standard Bank's business process are prepared in adherence to the laws and regulations.

COMMUNICATION OF THE STATEMENT OF ETHICS & BUSINESS PRACTICES

All employees are properly inducted to comply with Code of Ethics and conform to the relevant laws and regulations. HR Division makes sure that during joining employees read, understand the 'Code of Ethics and Business Conduct' and acknowledge the same by signing. HR continuously raises awareness on regular interval among employees to ensure that business decisions and actions undertaken by employees are completely in compliance with the prevalent rules and regulations. The leaders/managers of the Bank are mandatorily required to communicate and help their employees to understand how ethics apply to their positions and everyday behavior.

The Board of Directors of Standard Bank has approved the 'Employee Code of Ethics and Business Conduct' with a commitment to setting high ethical standards so that customers' expectations and interests are protected in a compliant manner

THE BOARD'S COMMITMENT TO ESTABLISHING HIGH LEVEL OF ETHICS AND COMPLIANCE WITHIN THE ORGANIZATION

The Board of Director has always been committed to establishing a high level of ethics and compliance among all employees of the organization. They have always encouraged management to ensure that everyone maintains a high ethical standard within the Bank. The Board guides management on principles that should be adopted and followed by everyone in the Bank.

WHISTLE BLOWING

Whistle blowing about bad practices can help ensure that problems are identified before it is too late. This helps prevent disasters ranging from customer mistreatment to huge financial loss. Standard Banks whistle blowing procedures encourage employees to disclose concerns using appropriate channels before these concerns become a serious problem which might jeopardize Bank's reputation through negative publicity, regulatory investigation, fines and/or compensation.

Whistle blowing is increasingly recognized as an important tool in the prevention and detection of corruption and other malpractice. The clandestine nature of corrupt behavior means that it may never come to light unless cases are reported by people who discover them in the course of their work.

Employees are encouraged to report any wrong-doing within the Bank. The Head of Internal Control and Compliance and Human Resources Divisions are the primary channel to report any incident. The Reporting channels offer the employees the opportunity to report while maintain their identity confidential. However, from experience Standard Bank understands that an effective whistle blowing policy demands for a shift in the culture. The Bank has a division named Internal Control and Compliance Division which dedicatedly works to ensure effective controls mechanism in the entire business entity.

REMUNERATION COMMITTEE

Composition and Charter

Standard Bank Ltd. has a Management Committee which comprises of senior management team (SMT) of the bank to review, discuss and decide on important business issues. In addition to the regular roles and responsibilities, the Committee assist in formulation of remuneration related policies and practices in alignment of the Bank's short and long-term business objectives.

The roles and responsibilities of the committee are the followings:

- Review the effectiveness of remuneration policy to ensure that whether the Board's set objectives and expectations are being met
- Ensure that an effective remuneration policy, procedure and practice are in place, aligned with the Bank's strategy, and is applied consistently for all employee levels
- Ensure that the structure and mix of fixed and variable pay and other elements are in alignment with the overall business objectives
- Guide and give suggestion to HR team during preparation and review of any policy or process related to compensation and benefits
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified, appropriately valued and promoting the performance based reward & recognition etc.

Disclosure of key policies with regard to remuneration of directors, senior management and employees

All employees including the Senior Management employees are paid competitive remuneration package. The structure and level of remuneration are reviewed time to time based on Bank's performance and affordability. The remuneration also stresses on ensuring internal and external pay equity.

MEETINGS AND WORK PERFORMED

The committee holds meeting on a regular interval throughout the year. So, if any remuneration related issue needs committee's attention, it is placed as agenda for necessary review. However, if required, the meeting is held on need basis to review and discuss any remuneration related issue exclusively.

DISCLOSURE OF REMUNERATION OF DIRECTORS, CHAIRMAN, CHIEF EXECUTIVE AND SENIOR EXECUTIVES

The Directors of the Board are paid only honorarium for attending Board or Committee meetings. On the other hand, the Managing Director is paid salary and allowances as fixed by the Bangladesh Bank (HR Report). The total cost related to employee compensation is shown in the Human Resources Accounting.

HUMAN CAPITAL

Employees are the key driving force of Standard Bank's continuous success

A group of motivated and engaged employees with diverse talents are the key asset of Standard Bank. Standard Bank is highly reputed in the market as an employer of choice. The Bank has positioned itself with

a performance-driven rewarding work culture; where employees are treated with respect and receive widened opportunities to realize their diverse potentials fully as well as benefit the organization by demonstrating value creating behaviors.

To ensure long term sustainability, Standard Bank has a special focus on skill and merit based recruitment and selection process, highly competitive remuneration package, adequate training and development programs, career growth with succession planning, high-performance culture and pleasant working atmosphere where employees are able to escalate their grievance and receive counseling.

Recruitment and selection process with 'best-fit' ethos followed by clearly defined policy and procedures

The recruitment and selection in Standard Bank follows the 'best fit' approach. As per Bank's requirement, Human Resources Division ensures that the potential candidates are properly assessed, selected and placed on-time as per required competencies (KSA – Knowledge, Skill & Attributes) and experience. Standard Bank has a recruitment policy that clearly states the criteria and procedures to recruit fresh and lateral entrants. The Bank has a Management Trainee Program which is aimed to recruit outstanding fresh graduates and develop them as the future leaders of Standard Bank Ltd.

Ensuring adequate learning & development opportunities through effectively designed training programs and on-the-job experience

SBL continuously strives to transform Human Resources to Human Capital through appropriate learning and development initiatives in every aspects of work area. HR Division regularly undertakes effectively designed training programs targeting the right group of employees through proper training need assessment. The Bank has a separate HR Training & Development Centre.

Well-crafted compensation & benefits package to have a positive impact on employees' overall well-being

SBL has a flexible compensation and benefits system that helps ensure pay equity, is linked with performance that is understood by employees, and keeps in touch with employee desires and what's coveted in the market, while maintaining a balance with the business affordability.

All employees are paid competitive remuneration package. The structure and level of remuneration are reviewed time to time based on Bank's performance and affordability.

CAREER GROWTH

SBL always plans for employees so that they can advance their career goals. This includes advancement into more responsible positions. The company supports career opportunities internally so that talented employees are placed in upgraded positions and thereby enables them to deliver their greatest value to the organization. In addition to vertical career growth, employees may also grow horizontally. Whenever possible Human Resources Division mobilizes employees across different functions and branches; thus assisting them to progress with varied skills and experience.

SUCCESSION PLANNING FOR THE TALENTS IN DIFFERENT LAYERS OF THE ORGANIZATIONAL HIERARCHY

Besides encouraging individual employee growth and development, SBL also gives effort to identify and retain the human resources who can potentially be the successors of mission critical roles. SBL acknowledges that Succession Planning & Management is vital to the continued success of the Bank. SBL continuously assesses organizational, divisional and team capability gaps to identify, develop and retain the successors in a timely manner to meet the demands of the future.

COMPREHENSIVE PERFORMANCE MANAGEMENT PROGRAM TO REWARD EMPLOYEES AND DRIVE FURTHER DEVELOPMENT

SBL has a comprehensive performance management program that evaluates employees' yearly performance against business targets at the year-end. This performance appraisal system is considered as crucial for the Bank as this is a very important tool to identify and distinguish the performers and non-performers. Standard Bank believes that a well-executed performance appraisal system can help reward the deserving employees, as well as help ensure further development program for the rest.

REWARD & RECOGNITION PROGRAM TO MEET EMPLOYEES' INTRINSIC PSYCHOLOGICAL NEED FOR APPRECIATION

SBL has a well-designed Reward & Recognition program that gives special attention to employees' actions, efforts, behavior and performance. It meets the intrinsic psychological need for appreciation of employees' efforts and supports business strategy by reinforcing certain behaviors (e.g., extraordinary accomplishments) that contribute to Bank's success.

ENSURING HORIZONTAL AND VERTICAL

GRIEVANCES AND COUNSELING

Since employee's behavior affects work discipline, HR Division always encourages employees to report if they have any work related grievance. In SBL there is formal procedure to address the employee grievance. Time to time HR Division also counsels employees as part of its job as people's advocate.

ENSURING A DECENT WORKPLACE WHERE EMPLOYEES CAN PARTICIPATE IN WORK WITH RESPECT

Standard Bank believes that the business can grow favorably if the organization enables employees through creating and maintaining a decent workplace. In SBL, there is a decent work environment where employees can work with dignity, have the freedom to express opinions, can participate in the decision making process that affect their lives, and receive equal treatment and opportunity. SBL ensures security in the workplace and social protection for employees' families, better prospects for their personal development and social integration.

COMMUNICATION TO SHAREHOLDERS & STAKEHOLDERS

Company's policy/strategy to facilitate effective communication with shareholders and other stakeholders

Standard Bank ensures that all shareholders are notified at least 2 weeks before the AGM so that all shareholders may attend on the day. Also all other types of accounts (Quarterly and Half yearly) or information are updated on the website and notified to all stakeholders on a duly basis. The Bank tries to maintain liaison with all major shareholders as much as possible and ensures that all stakeholders are informed about the bank's activities on a routine basis. SBL also engages with all types of stakeholders as much as possible to ensure that information is effectively communicated.

The Directors appreciate the importance of general shareholders of the Bank and use the Bank's AGM as further opportunities to communicate with them. SBL provides copies of the annual report in order that these are made available to them well in advance for detail and constructive discussion. It is the company's policy to give the shareholders the opportunity to ask questions about its activities and prospects at the AGM. The Board also structures these meetings so that shareholders can vote separately on each matter, by proposing separate resolutions for each item to be considered.

Company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM

SBL tries its utmost to ensure that all shareholders can participate in the AGM. Annual Reports are sent at least 2 weeks before the AGM to ensure all shareholders are notified about the event date, place and time. Also, SBL always ensures that AGM is held at a convenient place where all shareholders may attend. Notices to shareholders are made by publication in the daily newspapers and through the digital media as well. To ensure compliance with regulatory bodies, SBL ensures that it publishes in two widely circulated newspapers in English and Bangla and sent to the stock exchanges and BSEC.

SBL ensures effective communication with the shareholders and encourages shareholder participation at the AGM. SBL connects with the investors through AGM, EGM, Annual Report and Company's website. All of the Bank's publications to the market may be retrieved through the Company's website. Shareholders are offered the chance to interrogate the Board regarding the operation of the Bank. They are also presented the ability to query the Company's auditors concerning topics linked to the audit of the Company's financial statements at the AGM.

FOREIGN AND LOCAL INVESTORS' DISCLOSURE

The total number of investors of the Bank stood at 791,806,997, out of which 789,945,433 number of investors (99.76%) are local investors while the remaining 1,861,564 number of investors are foreign investors (0.24%).

INVESTORS' RELATION DESK (OFFICERS' NAME)

There is a separate section namely Redressal of Investors' Grievances which clearly sets out detailed information on how an aggrieved investor can sort out any pending issues regarding his/her share in Standard Bank Limited. It also has details on the desks dedicated to addressing such grievances and the persons who will provide the service over the counter.

10% ABOVE SHAREHOLDING NAME DETAILS

As of December 31, 2018, there is no individual shareholder in the shareholding of the Bank having ownership of 10% or more shareholding.

INFORMATION CIRCULATION ON UNCLAIMED DIVIDEND

The share division of the Bank regularly and repeatedly sends letters to the respective owners of unclaimed dividend holders.

EMPLOYEE PARTICIPATION IN THE MANAGEMENT

The Board of Directors of Standard Bank Limited is involved only in the policy-making functions of the Bank. The day-to-day operations of the Bank are carried out by the Management. Therefore, there are different management level committees in the bank namely Management Committee, Management Credit Committee, Asset Liability Management Committee, Management Level Risk Management Committee and so on. Each of these committees has clearly specified terms of references.

VENDOR PAYMENT IN TIME

Standard Bank Limited believes that it will entail reputation risk for the bank if it fails to make timely payment to its vendors when the good and services are accepted by the Bank.

GOVERNMENT TAX PENDING

There is no major pending issue with National Board of Revenue (NBR) regarding the tax liability of the Bank.

ENVIRONMENTAL AND SOCIAL OBLIGATION

Description of the company's policies and practices relating to social and environmental responsibility of SBL

A natural and fresh environment, efficient use of reserves and appreciation for people's well-being and safety are what SBL has always believed in. In harmony with this, SBL is constantly working towards decreasing consumption of energy (especially electricity, water and gas) at its branches, removal of use of hazardous substances from its practices and reducing waste generation. The importance is on diminishing paper transactions to the extent that the Credit Committee has already been made paperless, and SBL is moving forward and thinking about implementing it more through the branches. Board and its Committee Meetings are also made paperless through using in-house built software. One of the key objectives for financing manufacturing companies is to ensure that they try to lessen their carbon footprint.

Bangladesh Bank has taken steps to inspire green banking in Bangladesh through the issuance of guidelines on green banking and Environmental Risk Management (ERM). It is always inspiring banks in lessening paper communications and fitting solar power system in branches and giving refinance to the solar energy, bio-gas and effluent treatment plant (ETP) sectors at eased interest rates.

SBL has always been committed to the environment and also been active in social activities throughout the year 2018, and will remain to do so in the future.

Specific activities undertaken by the SBL regarding environmental and social responsibilities

SBL has always been active regarding its activities for the environment. One of its achievements was to make the Credit Committee paperless in 2015. It is also in the process of issuing a green manual for how to make all branches and divisions more environmental friendly. Also, solar panels have been set up in quite a few branches as well, and the initiative has been taken to install more solar panels in branches in the future. Environmental activities during the year can be found more in details in the Green Banking Report.

SBL has always been an active member of society and has tried to enhance people's lives and its employees as well. Standard Bank Foundation was solely initiated for the purpose of Corporate Social Responsibility. SBL's social activities can be found on the Standard Bank Foundation chapter and its commitment to its employees can be found in the CSR Report.

REPORT OF THE AUDIT COMMITTEE

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 03 June 2018, 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 Audit Committee:

- 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 269th meeting of the Board of Directors held on 13.02.2017. Thus the 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	5/5
02	Al-haj Mohammad Shamsul Alam	Director	Member	B.A (Hon's)	2/5
03	ICB Represented by its MD Mr. Kazi Sanaul Hoq	Director	Member	M.Com	3/5
04	Mr. Najmul Huq Chaudhury	Independent Director	Member	M.Com	3/5
05	Mr. Md. Nazmus Salehin	Independent Director	Member	M.Sc.	4/5
06	Mr. Md. Ali Reza	Acting Company Secretary	Member Secretary	MBA, FCMA	5/5

MEETINGS OF THE AUDIT COMMITTEE

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of SBL held 05 (Five) meetings in the year 2018 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 Audit Committee 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	83th Audit Committee Meeting	12 February, 2018
02	84th Audit Committee Meeting	02 April, 2018
03	85th Audit Committee Meeting	23 April, 2018
04	86th Audit Committee Meeting	26 July, 2018
05	87st Audit Committee Meeting	24 October, 2018

MAJOR AREAS FOCUSED BY AUDIT COMMITTEE IN 2018

The major issues, amongst others, were reviewed and discussed by the Audit Committee of the Bank during the year 2018 are mentioned below:

- Bangladesh Bank comprehensive inspection report & external audit report of the Bank and the recommendation made thereon.
- 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 on 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 2019' and 'Risk Based Audit Plan 2019' 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 2017 & 2018.
- Review of the audit ratings of all branches and departments for the year 2018.
- 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 2018 as certified by the external auditors, M/S Khan Wahab Shafique Rahman & 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 2018 as submitted by Mahfel Haq & Co.
- Review of the Management Report on the Bank for the year ended 31 December 2017 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) of Standard Bank Limited and Its Subsidiaries for the year 2018 before submission to the Board of Directors for approval in compliance with the BSEC's Corporate Governance Guidelines 2018.
- Review of the Bangladesh Bank Comprehensive Inspection Report on SBL Head Office as on 31 December 2017 and subsequent compliance by the management thereof.
- Review of AML rating of all Branches for the year 2017 & 2018.
- Review of compliance and related risk level of Branches, various Departments and Subsidiaries.
- Review of Annual Report on the Financial Health of the Bank, 2017.

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.

I) Statement on Review of Internal Control:

Standard Bank Ltd. has a defined internal control policy and guidelines for providing reasonable assurance that the Board's objectives are attained in terms of operational activities, financial reporting, and compliance with prevailing laws and regulations. The Audit Committee through its oversight activities ensures that Management has put in place appropriate policies and procedures on internal control.

The Audit Committee evaluates whether management is setting the appropriate compliance culture by

communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities. The Committee also reviews management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS). The Committee considers whether internal control strategies recommended by internal and external auditors have been implemented by the management. As part of its mandate, the Committee consider reports relating to fraud,

forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.

ii) Statement on Review of Financial Reporting

The Audit Committee checks whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank. Besides, the Committee discusses with management and the external auditors to review the financial statements before its finalization.

The Audit Committee is a vital Committee of the Board of Directors assigned with the responsibilities of oversight of the financial reporting and disclosure process. The Audit Committee, as such, has a large degree of responsibility regarding selection of appropriate accounting policies for the Bank, and evaluation of the annual and quarterly financial statements. In addition, members of the Committee often discuss complex accounting figures, issues, and decisions made by the Management and the application of new accounting principles or regulations. Should significant complications with regard to accounting practices or personnel arise, a special investigation is instructed by the Audit Committee using outside consulting resources, if deemed necessary. External auditors are also expected to inform the Committee about a range of issues, such as their views on management's selection of accounting principles, accounting adjustments arising from their audits, discrepancies or complexities faced in working with management, and any identified acts of fraud or illegal activities.

The Audit Committee is aware that the selection and application of the company's accounting policies must be appropriately analyzed. The Committee is aware that investors increasingly demand full transparency of accounting policies and their effects. In line with this, the Committee always encourages management to disclose trends, events, or uncertainties that would materially affect the reported financial statements. The Committee is always apprised of the evaluation criteria

by Management in their selection of the accounting principles and methods. Proactive discussion between the Audit Committee and Management always takes place before signing of the annual report regarding critical accounting policies.

iii) Statement on Review of Internal Audit Functions

The Audit Committee monitors whether internal audit division of the Bank is working independently from the management. The Committee reviews the activities of the internal audit and the organizational structure and ensures that no unjustified restriction or limitation hinders the internal audit process. The Committee examines the efficiency and effectiveness of internal audit function. Besides, the Committee also examines whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

iv) Statement on Review of External Audit Functions

The Audit Committee reviews the performance of the external auditors and their audit reports. The Committee also examines whether the findings and recommendations made by the external auditors are duly considered by the management or not. Besides, the Committee also makes recommendations to the board regarding the appointment of the external auditors.

The Audit Committee focuses on the financial management and reporting of the Bank. The Committee provides specific expertise in this critical area as effective financial management and reporting determines creditworthiness to outsiders and confirms the growth trend and successes to the insiders. These are the key determinants in establishing market value of Standard Bank – the ultimate scorecard of management's success.

The Audit Committee undertakes the following responsibilities regarding review of the external auditors' functions:

- i. Reviews the performance of the external auditors and exercises final approval on the appointment of the auditors.
- ii. Reviews the external auditors' proposed audit scope and approach, including coordination of audit efforts with internal audit team.

In performing this review, the Committee:

1. At least annually, obtains and reviews a report by the independent external auditor describing the firm's internal quality- control procedures; material issues raised by the recent internal quality-control review, and assesses the auditor's independence in all relationships between the external auditor and the Bank.

2. Takes into account the opinions of Management and Internal Audit Division.
3. Reviews and evaluates the findings and recommendations of the independent external auditors.
4. Presents conclusions with respect to the external auditors to the Board.
5. Reviews and approves any non-audit work assigned to the external auditors and ensures that such work does not compromise the independence of the external auditors.
 - 6) Presents its conclusion with respect to the independence of the auditors to the Board.
 - 7) Meets separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

v) Statement on the review and recommendation of the Annual and Interim Financial Releases

The annual and interim financial statements released by the Bank contain sensitive financial information that needs to be addressed carefully. The Audit Committee, therefore, always actively involves itself in reviewing these releases and recommends to the Management on ways to improve these financial statements. The Committee reviews and discusses with management all significant correction/adjustments (whether or not made) to ensure that all material adjustments are properly reflected in the financial reports.

The Audit Committee assumes the following responsibilities with regards to annual and interim financial statements:

- a. Understands management's responsibilities and representations with regard to annual and interim financial statements.
- b. Understands and assesses the appropriateness of management's selection of accounting principles and policies.
- c. Understands management's judgment and accounting estimates applied in financial reporting.
- d. Confers with both management and the external auditors about the financial statements.
- e. Assesses whether financial statements are complete and fairly presented in all material aspect.
- f. Verifies that the financial position of the company and disclosures are clear and transparent.
- g. Reviews financial statements and other information presented with it prior to release.

It is to be noted that it is management's responsibility to prepare complete and accurate financial statements and disclosures in accordance with financial reporting standards and applicable rules and regulations. The

Audit Committee assures itself that the external auditors are satisfied that the accounting estimates and judgments made by management, and that management's selection of accounting principles reflect an appropriate application of IFRS and IAS. The appropriateness, including the degree to which management bias, if any, is evident, of the Bank's accounting principles and underlying estimates, and the transparency of the financial disclosures in reflecting financial performance, would be the core discussion between the Committee and external auditors. The Committee is always interested in discussing and understanding the auditor's views on accounting issues and actively seeks to develop a relationship with the external auditor that allows a full, frank and timely discussion of all material issues. With regard to interim reports, the Committee always has an extensive discussion with management regarding material issues before approval of the interim accounts.

The Audit Committee of Standard Bank Limited has always been extensively involved in the review of the financial statements and has provided recommendations whenever needed. The Committee has duly carried out such responsibilities throughout the year 2018, to the best of their ability.

vi) Statement on ensuring compliance with Laws and Regulations

The Board, Audit Committee and the Management, all play critically important roles in promoting a compliance culture in the operation and management of the banking affairs. As per the directives of the regulators, the Board sets the policy guidelines for Management compliance and it's the Audit Committee that ensures those are strictly complied with through its oversight functions.

As part of the responsibility, the Audit Committee, among others, also undertakes the following regular measures for ensuring compliance:

- a. Reviews effectiveness of the system of monitoring compliance with the laws and regulations upon receiving investigations reports which are again followed up for regularization through appropriate actions including disciplinary ones, where warranted.
- b. Establishes procedures for:
 - i. The receipt, retention, and treatment of the complaints by the Bank regarding accounting, internal controls or auditing matters; and
 - ii. The confidential and anonymous submission by the employees of the Bank of any concerns regarding questionable accounting or auditing matters.
- c. Reviews the findings of the examination by the regulatory agencies or other auditors.
- d. Reviews the process for communicating code of conduct to the Bank personnel and monitoring

compliance therewith.

- e. Obtains regular updates from the Management and Bank's legal counsel regarding compliance matters.

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.

In addition, the Audit Committee ensures that legal fees are settled on a timely basis and that the Bank does not have to bear any penalties in this regard.

It can, therefore, be stated that the Audit Committee supervises and assures the Board that the Bank complies with all the applicable laws, rules and regulations, and also takes measures to ensure that all statutory dues are being settled on time.

On behalf of the Audit Committee,



S. S. Nizamuddin Ahmed

Chairman of the Audit Committee of the Board

DIRECTORS' STATEMENT ON INTERNAL CONTROL

RESPONSIBILITY

As per the Bangladesh Bank Circular BRPD Circular No. 11, dated; 27-10-2013 which clearly define the Responsibility of the Board of Directors on Internal Control of the Company. The Board of Directors is responsible for the adequacy and effectiveness of Standard Bank Limited (SBL) system of internal controls. However, such a system is designed to manage the SBL's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives and policies of the Company. Accordingly, the system of internal controls can only provide a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud. The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Company and this process includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board in accordance with the guidance for Directors of Bank's on the BRPD Circulars on Internal Control issued by the Bangladesh Bank. As per the said guidance, significant processes affecting significant accounts of the Company were assessed along with the key risk areas of the Company. The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Company, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks. The Board is of the view that the system of internal controls in place is sound and adequate to provide a reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

SIGNIFICANT INTERNAL CONTROL PROCESSES

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

- The Board Sub Committees are established to assist the Board in ensuring:
 - the effectiveness of the SBL's daily operations.
 - that the SBL's operations are in accordance with the corporate objectives and strategies.
 - that the operations of the Company are in line with the annual budget as well as the policies and business directions that have been approved by the Board.
- The Internal Audit Division of the Company checks for compliance with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance. Audits are carried out on majority of units and branches, the frequency of which is determined by the level of risk assessed by the internal audit, to provide an independent and objective report on operational and management activities of these units and branches. The annual audit plan is reviewed and approved by the Audit Committee and the findings of the audits are submitted to the Audit Committee for review at their periodic meetings.

- The Audit Committee of the Company reviews internal control issues identified by the Internal Audit Division, the external auditors, regulatory authorities and management; and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit function with particular emphasis on the scope of audits and quality of the same. The minutes of the Audit Committee meetings are tabled for the information of the Board on a periodic basis. Further details of the activities undertaken by the Audit Committee of the Company are set out in the Audit Committee Report.
- The Risk Management Forum (RMF) is established to assist the Board to oversee the overall management of principal areas of risk of the Bank. The Risk Management Forum which includes representation from all key business and operating units of the Bank, assists the Board with the implementation of policies advocated at the Board Audit Committee.
- Board Executive Committees have also been established with appropriate empowerment to ensure effective management and supervision of the SBL's core areas of business operations and investments. In assessing the internal control system over financial reporting, identified officers of the Bank collated all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the Bank. These in turn were observed and checked by the internal audit department for suitability of design and effectiveness on an ongoing basis. The Bank adopted the new Bangladesh Accounting Standards Comprising BAS & BFRS. Since adoption of such Bangladesh Accounting Standards, progressive improvements on processes to comply with new requirements of recognition, measurement, classification and disclosure are being made whilst, further strengthening of processes will take place pertaining to impairment of loans and advances and financial statement disclosures. They also recognized the need to introduce an automated financial reporting process to more effectively comply with the requirements of recognition, measurement, classification and disclosures of financial instruments. The assessment did not include subsidiaries of the Bank. The recommendations made by the external auditors in connection with the internal control system in previous years were reviewed during the year and appropriate steps have been taken to implement and rectify them. The recommendations made by the external auditors in 2017 in connection with the internal control system are being addressed at present.

CONFIRMATION

Based on the above processes, the Board satisfied that Internal Control Policy, Practice & Procedure of the Bank are effective and these provide a reasonable assurance in achieving objectives of the Bank with the standards, i.e. (i) reliability of the financial information; (ii) effectiveness and efficiency of operations; (iii) compliance with applicable laws and regulations; (iv) adherence to management policies; (v) safeguarding of Bank's Assets; (vi) prevention and detection of fraud and errors; and (vii) accuracy and completeness of the accounting records.

REPORT OF THE RISK MANAGEMENT COMMITTEE

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 304th Board meeting held on 24.12.2018 for the term of 03 (three) years as follows:

SL No	Name	Status with the Bank	Status with the Committee
01	Mr. Kazi Akramuddin Ahmed	Chairman	Chairman
02	Mr. S.A.M. Hossain	Director	Member
03	Mr. Mohammed Abdul Aziz	Director	Member
04	Mr. Ferdous Ali Khan	Director	Member
05	Mr. Md. Nazmus Salehin	Independent Director	Member
06	Mr. Md. Ali Reza FCMA	Acting Company Secretary	Member Secretary

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:

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

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
- 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.
- To supervise formation of separate management level committees
- 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.
- To recommend Board of Directors regarding any propose amendments if necessary
- 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.
- 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 2018:

During the year 2018, 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:

1. Summary of 'Comprehensive Risk Management Report' of Standard Bank Ltd based on 31/03/2018.
2. Implementation Status of Supervisory Review Process (SRP) through Internal Capital Adequacy Assessment Process (ICAAP) Reports under Basel-III.
3. Comprehensive Risk Management Rating of Standard Bank Ltd based on 31.12.2018.
4. Summary of 'Comprehensive Risk Management Report' of Standard Bank Ltd based on 30/06/2018.
5. Information regarding Scenario Analysis of Capital to Risk Weighted Assets Ratio (CRAR) under Pillar-1 of Basel-III of Standard Bank Limited & Banking Industry.
6. Analysis of Stress Testing Report of Standard Bank Limited based on 30.06.2018.
7. Summary of 'Comprehensive Risk Management Report' of Standard Bank Ltd based on 30/09/2018.
8. Information regarding Minimum Capital Requirement under pillar-1 of Basel-III bases on September 30, 2018 of Standard Bank Limited.
9. Information regarding Comparison between new and existing Risk Management Guideline of Bangladesh Bank.
10. Analysis of Stress Testing Report of Standard Bank Limited based on 30.09.2018.
11. Summary of Risk Management Report of Standard Bank Ltd based on 31.10.2018.
12. Proposal for issuance of 3rd Standard Bank Coupon Bearing Non-Convertible Subordinated Debt (Bond) of BDT 500.00 (Five Hundred) crore under Tier-II capital of Basel-III.
13. CAMELS Rating of Standard Bank Limited based on 30.06.2018
14. Advised for diversification of Bank's loan portfolio as far as possible and practicable.
15. Advised the management to persuade the existing good corporate and SME borrowers for their credit rating to reduce charge on Bank's capital.
16. Effective measures be geared up for recovery of Bank's dues from the top-20 defaulters.
17. Loans to RMG and Textile sectors be regularly monitored to keep them within the sectoral allocation.
18. The large loans of the Bank be closely and regularly monitored to ensure that they continue to be performing.

19. 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.
20. Reviewed Stress Testing reports and endorsed the same for onward submission to the 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 of the Board:

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 04 (four) meetings during the year 2018. Meeting dates are as follows:

SL No	Meetings	Date of Meeting
01	12th Risk Management Committee Meeting-2018	25.06.2018
02	13th Risk Management Committee Meeting-2018	04.10.2018
03	14th Risk Management Committee Meeting-2018	25.11.2018
04	15th Risk Management Committee Meeting-2018	24.12.2018

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.

With thanks and best regards.



Kazi Akram Uddin Ahmed

Chairman

Risk Management Committee of the Board

REPORT OF THE SHARI'AH SUPERVISORY COMMITTEE



SBL Shari'ah Supervisory Committee is primarily responsible for framing Islamic Sunnah based banking practices for the Islamic Banking wing. Islamic Banking is a banking system based on Islamic law (Shariah). It follows the Shariah called Fiqh Muamalat (Islamic rules on transactions). The rules and practices of Fiqh Muamalat came from the Quran, the Sunnah, and other secondary sources of Islamic law, such as, opinions collectively agreed among shariah scholars (Ijma'), analogy (Qiyas) and personal reasoning (Ijtihad). Standard Bank Limited caters to both Conventional and Islamic banking services. Islamic Banking services are rendered in strict compliance with the rules and regulations of Bangladesh Bank and the principles of Islamic Shariah. The concept and practices of Islamic Banking is founded on profit instead of interest. The Islamic Banking operation is run strictly following the guidelines on Islamic Banking. The Islamic Banking operations are completely segregated from the operation of conventional banking activities.

The Bank started its Islamic Banking operation in 2009. Out of 134 Branches of the Bank, 02 (two) branches are designated as Islamic Banking windows namely Topkhana Road Branch, Dhaka and Agrabad Branch, Chittagong. Besides, the Bank is providing Islamic Banking facilities to the customers on behalf of any of the two windows through all conventional branches of the Bank in the country by utilizing the online banking software.

The bank uses completely separate Islamic banking software package namely HIKMA for its Islamic Banking branches. The Bank is maintaining separate CRR/SLR with Bangladesh Bank for Islamic Banking operations. In fact, the entire gamut of its activities including banking books & accounts, deposits, investments, profit & loss, balance sheet and so on are completely separate from its conventional banking activities. With a view to further streamlining Islamic Banking operations, the Bank considers its Islami Banking wing as one of its high priority Strategic Business Units with separate Strategic Business Plan for expansion of its operations. In fact, the long term vision of the entire Bank is its full immersion into this Islami Banking model subject to approval from relevant regulatory authorities. The Bank constituted a Shariah Supervisory Committee with experienced and knowledgeable persons in Islamic jurisprudence to advise and provide guidance on Islamic Banking operations. Under the guidance of Bank's Shariah Supervisory Committee, the Bank designed all deposits and Investment products and services of the Islamic Banking Branches. It formulated policy guidelines and working procedure. The Bank obtained membership of the Central Shariah Board for Islamic Banks of Bangladesh and the Islamic Banks' Consultative Forum. It has also been maintaining a close relationship with Islamic Banks in Bangladesh and abroad since inception of Islamic banking operations in the Bank. The members of Shariah Supervisory Committee are as under:

Sl. No.	Name	Designation	Description
1	Janab Kazi Akram Uddin Ah-med	Chairman	Honorable Chairman, Standard Bank Ltd.
2	Janab Hafiz Kazi Muhammad Ibrahim	Member	Head Mohaddis, Hadis Department, JameahQasemiahKamil (MA) Madrasha. Gabtauli, Norsinghdi.
3	Janab Kazi Khurram Ahmed	Member	Honorary Consul of Gambia in Dhaka, Bangladesh Chairman & Managing Di-rector, EMX Limited
4	Janab Dr. Muhammad Saifullah	Member	Islamic Scholar & Associate Professor, Dept. of Islamic Studies, Asian Universi-ty of Bangladesh
5	Janab Mamun Ur Rashid	Ex-Officio Member	
6	Janab Md. Ali Reza	Member Secretary	Acting Company Secretary, Standard Bank Ltd

Three meetings of Standard Bank Shariah Supervisory Committee were arranged where different operational issues were reviewed and the Internal Auditors of the Bank conducted Shariah audit and inspection at the Islamic banking branches and submitted reports thereon. Some of the major activities performed by the Shariah Supervisory Committee include the following:

2. Review of Business Position of Islamic Banking Wings
3. Recommendation on diversification of investment, optimum deposit and prudent cost-control
4. Review of Operational Efficiency

It is expected that Islamic branches will perform even better and achieve targets in coming years under the guidance and prudent leadership of the Management of Standard Bank, In Sha Allah.

1. Review of Financial Performance of Islami Banking Wings

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 shareholder and responsible to the society as well as the environment. To ensure good corporate governance in bank management, Bangladesh Bank (BB) issued three Circulars in 2013 covering three broad areas are 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)

Sl. No.	Particulars	Compliance Status
1	Formation of BoD: 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	Appointment of New Directors: Every bank company, other than specialized banks, at the time of taking prior approval from BB while appointing Directors should furnish the following information along with the application:	
	a. Personal information of the nominated person	Complied
	b. Declaration of nominated person	Complied
	c. Declaration for confidentiality by the nominated person	Complied
	d. In case of independent director, the approval letter from BSEC	Complied
	e. CIB report of the nominated person	Complied
	f. Updated list of Directors	Complied
1.2	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	Removal of Directors from office: 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
1.4	Appointment of Alternate Director: An alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh 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	Director from Depositors: 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	Information regarding Directors: Banks are advised to take the following steps regarding directors information:	
(a)	Every bank should keep an updated list of bank directors.	Complied
(b)	Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
(c)	Banks should display a list of directors on the website and update it on a regular basis.	Complied
4	Responsibilities of the Board of Directors (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 executives as much as possible. No director, however, shall interfere, directly or indirectly, into the process of loan approval.	Complied
	ii. The board shall frame policies for Risk Management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The 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. SBL follows a Board approved 'Procurement and disposal policy'.
	iii. The BoD will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to BB guidelines.	Complied
(f)	Appointment of Chief Executive Officer (CEO): In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the 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.
4.2	Meetings of the Board of Directors: Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually SBL holds two 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	Formation of Supportive Committees of the Board: 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	Executive Committee (EC): EC is to be formed for taking decision on urgent and day-to-day or routine activities between the intervals of two BoD meetings. The EC will perform according to the terms of reference set by the BoD. The EC will be formed with maximum of 07 (seven) members for a period of 03 (three) years. The Chairman of the BoD can also be the member of the EC. The company secretary of the bank shall act as the secretary of the EC. EC members, besides being honest and sincere, should have reasonable knowledge on banking business, its operations and risk management and be capable of making valuable and effective contributions in the functioning of the Committee. The committee shall discharge responsibilities and take decision on the matters as instructed by the BoD except discharging of those responsibilities and taking decisions that are specifically assigned to the full BoD by the Bank Company Act 1991 or other related laws and regulations. The decisions taken by the Committee shall be ratified in the next BoD meeting. Upon necessity the Committee can call meeting at any time. The Committee may invite CEO, Chief Risk Officer or any executive to attend the committee meeting.	Complied

5.2	Audit Committee (AC): 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	Risk Management Committee (RMC): The RMC is to be formed to mitigate impending risks which could be arisen during implementation of BoD approved policies, procedures and strategies. This committee is entrusted to examine and review whether management is properly working on identifying and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operation risk, interest rate risk and liquidity risk and keeping adequate capital and provision against the risks identified.	
	The RMC is to be formed with maximum five members who will be appointed for 03 (three) years. Each member should be capable of making valuable and effective contributions in the functioning of the Committee. The company secretary of the bank shall act as the secretary of the Committee. RMC shall review the risk management policy and guidelines of the bank at least once in a year, make necessary modifications as per requirement and submit the same to the BoD for approval. Besides, lending limits and other limits should be reviewed at least once in a year and should be amended, if necessary. Please see 'Report of the Risk Management Committee' for details.	Complied
6	Training of the Directors: The Directors of the Board will acquire appropriate knowledge of the Banking laws and other relevant laws, rules and regulations to effectively discharge the responsibilities as a Director of the bank.	Complied
7.	Intimation of the Circular to the Board and related persons by CEO: The CEO will inform about this Circular to the directors and other related persons.	Complied

2. APPOINTMENT AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER (CEO)

Sl. No.	Particulars	Compliance Status
A	Rules and regulations for appointment of the CEO	
1	Moral Integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that: <ol style="list-style-type: none"> He has not been convicted by any Criminal Court of Law. He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority. He was not associated with any such company/organization; registration or license of which has been cancelled. 	Complied
2	Experience and Suitability: <ol style="list-style-type: none"> 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. 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. In respect of service, the concerned person should have excellent track record of performance. Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company. Any director of any bank or financial institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO. 	Complied

3	<p>Transparency and financial integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that:</p> <ul style="list-style-type: none"> 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. 6. He has never been adjudicated a bankrupt by the Court. 	Complied
4	<p>Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.</p>	Complied
5	<p>Tenure: The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period.</p>	Complied
6	<p>Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB:</p> <ul style="list-style-type: none"> 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 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. 	Complied
7	<p>Incentive Bonus: The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,000,000 in a year.</p>	Complied
8	<p>Honorarium for attending the Board Meeting: Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or Board formed Committee meeting.</p>	Complied
9	<p>Evaluation Report: For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to BB.</p>	Complied
10	<p>Prior Approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act 1991 (amended up to 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.</p>	Complied

11	Decision of Bangladesh Bank is final: The decision of BB for appointment of the CEO will be treated as final and the CEO such appointed cannot be terminated, released or removed from his/ her office without prior approval from BB.	Complied
B	Responsibilities and Authorities of the CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	
	a. In terms of the financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the BoD or any other Committee (s) engaged by the BoD.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	Complied
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the BoD.	Complied
	f. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her, which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the BoD, he/she shall nominate officers for training etc.	Complied

3. CONTRACTUAL APPOINTMENT OF ADVISOR AND CONSULTANT

Sl. No.	Particulars	Compliance Status
A	Rules and regulations for appointment of an Advisor	No such advisor in SBL
1	Experience and Suitability: For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications: <ol style="list-style-type: none"> Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company. 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. 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. 	N/A

2	Responsibilities of the Advisor: The roles and responsibilities of the Advisor should be defined specifically. The Advisor can advise the Board of Directors or CEO only on those matters specified in the appointment letter. The routine and general activities of the bank will not be included in his terms of reference. He will not be entitled to exercise any power or involved himself in the decision making process of financial, administrative, operations or other activities of the bank.	N/A
3	Prior approval from Bangladesh Bank: Prior approval from BB is mandatory before appointing an Advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of BoD's approval shall be submitted to BB. The nominated person has to make a declaration as per Annexure A. This declaration shall also be submitted to BB.	N/A
4	Remuneration and other facilities of Advisor: The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the advisor will not be considered as acceptable to BB.	N/A
5	Tenure of Advisor: The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the BoD) of previous tenure should be submitted to BB along with the re-appointment proposal.	N/A
6	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.	N/A
B	Rules and regulations for appointment of a Consultant	
1	Terms of reference of Consultant: Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	Complied
2	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.	Complied
3	Appointment of a Consultant: A Consultant can be appointed with the approval of the BoD. After such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to BB immediately.	Complied
4	Tenure of a Consultant: The tenure of a Consultant should be consistent with the terms of reference, but would not exceed 02 (two) years. Generally the Consultant will not be eligible for re-appointment. But to complete the unfinished tasks, his contract may be extended for maximum period of 01 (one) year with the approval of 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
5	Remuneration/honorarium of a Consultant: The Consultant's remuneration should be in the form of monthly or single lump-sum payment, and he is not entitled to any other facilities.	Complied
6	Appointment of Executive: 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

BSEC CODE FOR CORPORATE GOVERNANCE: OUR COMPLIANCE STATUS

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's (BSEC) through Notification No. BSEC/CMRRCD/2006-158/ 207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 is as follows (as per Annexure-C):

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1	Board of Directors			
	Size of the Board of Directors	✓		
1(1)	The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).			
1(2)	Independent Directors			
1(2) (a)	At least one-fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors.	✓		
1(2) (b)	Independent Director means a Director -			
1(2)(b)(i)	Who does not hold any Share in the Company or holds less than One Percent (1%) Shares of the total Paid-Up Shares of the Company;	✓		
1(2)(b)(ii)	Who is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its Associates, Sister Concerns, Subsidiaries and Parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company: Provided that spouse, son, daughter, father, mother, brother, sister, son- in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies.	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) Holder, Director or Officer of any Stock Exchange;	✓		
1(2)(b)(vi)	Who is not a Shareholder, Director excepting Independent Director or officer of any member or TREC Holder of Stock Exchange or an Intermediary of the Capital Market;	✓		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's Statutory Audit firm or Audit Firm engaged in Internal Audit Services or audit firm conducting special Audit or Professional certifying compliance of this Code.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(2)(b)(viii)	Who is not Independent Director in more than 5 (five) listed Companies.	✓		
1(2)(b)(ix)	Who has not been convicted by a Court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI).	✓		
1(2) (b) (x)	Who has not been convicted for a Criminal Offence involving moral turpitude.	✓		
1(2)(c)	The Independent Director(s) shall be appointed by the Board and approved by the Shareholders in the Annual General Meeting (AGM);	✓		
1(2) (d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1(3)(b)	Independent Director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a Promoter or Director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or			As the Independent Directors were continuing, the compliance of this new code could not be complied for them.
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of Tk.100.00 million or of a listed Company; or			
1(3)(b)(iii)	Former official of the Government or Statutory or Autonomous or Regulatory Body in the position not below 5 th Grade of the National Pay Scale, who has at least educational background of Bachelor Degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the nonexecutive Directors of the Company;	✓		
1(4)(d)	The Board shall clearly define respective Roles and Responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining Members may elect one of themselves from non-executive Directors as Chairperson for that particular Board's Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the Minutes of the Board Meeting.	✓		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		Please refer to MD&A Section
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Discussion on interest income, expense, operating and net profit provided.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		N/A
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	✓		N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the Directors including Independent Directors;	✓		Please refer to Note of FS.
1(5)(xi)	A statement that the financial statements prepared by the Management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer Company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		Departure has been adequately explained in Note to the Financial Statements.
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority Shareholders have been protected from abusive actions by, or in the interest of, controlling Shareholders acting either directly or indirectly and have effective means of redress;	✓		Please refer to Directors' Responsibility Statement
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		No doubts upon SBL's ability to continue as a going concern.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each Director;	✓		
1(5)(xxiii)	A Report on the pattern of Shareholding disclosing the aggregate number of Shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		Please refer to Note of the FS.
1(5)(xxiii)(c)	Executives; and	✓		Please refer to Note of the FS.
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	✓		
1(5)(xxiv)(a)	A brief Resume of the Director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the Directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		Please refer to Managing Director & CEO's Review and MD & A Section
1(5)(xxv)(a)	Accounting Policies and estimation for preparation of Financial Statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	✓		
1(5)(xxv)(g)	Future Plan or Projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the Shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or Certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The Report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors			
1(6)	The Company shall conduct the Board Meetings and record the Minutes of the Meetings as well as keep required Books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company;	-		
1(7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the Company.	-		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
2(b)	At least 1 (one) Independent Director on the Board of the holding Company shall be a Director on the Board of the subsidiary Company;	√		
2(c)	The Minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the Holding Company;	√		
2(d)	The Minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company;	√		
2(e)	The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the subsidiary Company.	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	√		
3(1)(d)	The Board shall clearly define respective Roles, Responsibilities and Duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange (s).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
3(2)	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
3(3)(a)(i)	Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	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;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a Sub-Committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non- executive Directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director;	✓		
5(2)(c)	All members of the Audit Committee should be 'Financially Literate' and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		No such instance as yet

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
5(2)(e)	The Company Secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The Quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director ;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	✓		
5(4)(b)	The Quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall Report on its activities to the Board.	✓		
5 (6)(a) (ii)	The Audit Committee shall immediately Report to the Board on the following findings, if any:	-		No such instance as yet
5(6)(a)(ii)(a)	Report on Conflicts of Interests;	-		Do
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the Internal Audit and compliance process or in the Financial Statements;	-		Do
5(6)(a)(ii)(c)	Suspected infringement of Laws, Regulatory compliances including Securities related Laws, Rules and Regulations; and	-		Do
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		Do
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall Report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-		No such instance as yet

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	√		
6.	Nomination and Remuneration Committee (NRC)	Unresolved issue. [Could not be complied due to BRPD Circular Letter No.11, dated 27 October 2013 of Bangladesh Bank]		
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub- committee of the Board;	-		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executive as well as a policy for formal process of considering remuneration of Directors, top level executive;	-		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the Condition No. 6(5) (b).	-		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
6(2)(b)	All members of the Committee shall be non-executive Directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	-		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.			
6(3)	Chairperson of the NRC	-		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders:	-		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the Shareholders	-		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;	-		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	-		
6(5)(b)(i)(c)	Remuneration to Directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;	-		
6(5)(b)(ii)	Devising a Policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		
6(5)(b)(iii)	identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board;	-		
6(5)(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-		
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	-		
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		
7	External or Statutory Auditors			
7 a)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial Information Systems design and implementation;	√		
7(1)(iii)	Book-Keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-Dealer Services;	√		
7(1)(v)	Actuarial Services;	√		
7(1)(vi)	Internal Audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders.	√		
8.	Maintaining website by the Company			
8(1)	The Company shall have an Official Website linked with the website of the Stock Exchanges.	√		
8(2)	The Company shall keep the website functional from the date of listing.	√		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9.	Reporting and Compliance of Corporate Governance			
9(1)	The Company shall obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The Professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting.	√		To be appointed in the upcoming AGM.
9(3)	The Directors of the Company shall state, in accordance with the Annexure-C attached, in the Directors' report whether the Company has complied with these conditions or not.	√		



SAIFUR ENAYET & ASSOCIATES

Cost & Management Accountants

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CORPORATE OF GOVERNANCE COMPLIANCE CERTIFICATION

Report to the Shareholders of Standard Bank Limited., on compliance on the Corporate Governance Code

We have examined the compliance status to the corporate governance Code by Standard Bank Limited for the year ended on December 31, 2018. This code relates to the Notification No. BSEC/CMRRCD/2006/158/207/Admin/80, Dhaka, Dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the condition of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the condition of the corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information explanation, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion.

- (a) The Bank has complied with the condition of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code Issued by the Commission.
- (b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the company as required under the Companies Acts, 1994, the securities laws and other relevant laws, and
- (d) The Governance of the company is satisfactory



For Saifur Enayet & Associates

Md. Saifur Rahman FCMA
Principal & CEO
Cost & Management Accountants

MANAGING DIRECTOR & CEO AND CHIEF FINANCIAL OFFICER'S STATEMENT OF RESPONSIBILITIES

Date: 25 April, 2019

The Board of Directors

Standard Bank Limited

122-124 Motijheel C/A

Dhaka-1000

Subject: Declaration on Financial Statements for the year ended on 31st December, 2018

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Standard Bank Limited for the year ended on 31st December, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed the financial statements for the year ended on 31 December, 2018 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mamun-Ur-Rashid
Chief Executive Officer (CEO)



Mr. Ali Reza FCMA
Chief Financial Officer (CFO)

REPORT OF MANAGEMENT CREDIT COMMITTEE

Composition of Management Credit Committee (MCC)

The members the Committee are as follows:

Sl. No.	Name	Position in the Committee
1	Mr. Md. Tariqul Azam, AMD	Chairman
2	Mr. Md. Motaleb Hossain, DMD	Co-Chairman
3	Head of Law & Recovery Division	Member
4	Head of Credit Division-1	Member
5	Head of Credit Division-2	Member
6	Head of ID	Member
7	Chief Financial Officer (CFO)	Member
8	Head of SME	Member
9	Head of Rural & Agri Credit	Member
10	Mr. Tapas Kumar Mandal, SAVP	Member Secretary

The role of Management Credit Committee (MCC) of the Bank:

- Declining the credit proposals which are not financially viable or contrary to the existing credit policy guidelines of the Bank/regulatory instructions of Bangladesh Bank.
- Recommending the credit proposal for approval from the approval authority authorized to do so.

Usually Credit Division place Credit Memorandum to Management Credit Committee (MCC) for the credit proposals of Tk. 1.00 Crore and above which are required to obtain approval either from MD/DMD or Executive Committee of the Board of Directors. However, in some imperative circumstances, the Head of the respective division/department may place MCC NOTE for approval below Tk. 1.00 Crore before Management Credit Committee (MCC) for necessary recommendation.

Besides, the Management Credit Committee (MCC) is responsible for

- Assessing risks inherent in the credit proposal sent by corporate/Retail/SME/Agri. Division and also evaluate proposed facility pricing based on risks, security, structuring, terms and conditions etc. to suit the business condition and to protect Bank's interest.
- Ensuring all information and analysis regarding the credit proposal are obtained/done and in order.

- Confirming the financial viability. Marketing, industrial and socio-economic feasibility of the credit proposal.
- Confirming the Credit proposal is in consistent with the existing credit policy of the Bank as well as the guidelines of Bangladesh Bank/regulatory authorities.
- Reviewing, analyzing, and recommending credit proposal for obtaining approval from the line Management or EC/Board.
- Maintaining MCC register to have record on all credit proposals discussed in Management Credit Committee (MCC)
- Maintaining record of minutes of MCC.

REPORT OF REMUNERATION COMMITTEE

COMPENSATION REVIEW COMMITTEE

To make compensation package time proven and attuned to pay packages offered by different banks, SBL usually revises its scale of pay on a regular interval. Besides, revision of pay packages has become indispensable due to government approval of 8th National Pay Scale with effect from July 01, 2015. Moreover, the necessity of revised pay scale is also justified as there has been a considerable change in the economic situation as well as people's standard of living due to inflation and continuous price spiral. Keeping this view in mind, a Compensation Review Committee was formed.

The Committee is delegated with the authority from the management to review, and make recommendations on pay package ensuring guidelines as set by the management. It will ensure that all employees of the bank are appropriately remunerated in the track of competition with other fellow banks. In commensurate with market trend, salaries of all employees of SBL have been revised from October 01, 2018.

PROMOTION & APPRECIATION



Promotion and appreciation are the tokens of contribution (performance) against targets as set by the management of the Bank. SBL always distinguishes the performers with increment, promotion and appreciation in laudable manner. In 2018, 04 (four) employees were awarded special promotion to next higher grade in recognition of their outstanding performance to create a rewarding and competitive culture within the bank.

REPORT ON GOING CONCERN

Going concern is a basic underlying assumption in accounting. The assumption is that a company or entity will be able to continue operating for a period of time that is sufficient to carry out its commitments, obligations, objectives, and so on. Every company requires assessing its ability to continue as a going concern. The Board of Directors of Standard Bank Ltd (SBL) has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as going concern. This assessment involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to Company's continuance as a going concern for the foreseeable future.

FINANCIAL PERFORMANCE

Standard Bank Ltd. has excellent growth in its operating performance. Bank's Consolidated Total Asset has increased from BDT 175,699 Million to BDT 197,148 Million, achieving a growth of 12% over last year. The Bank achieved 14% growth in investment with a total investment portfolio of BDT 146,061 million in 2018 compared to BDT 128,228 million in 2017. Import business of the Bank stood at BDT 74,464 million in 2018 with 12% growth over the previous year BDT 66,510 million, while Export business of the Bank stood at BDT 51,884 million in 2018, which is increased by 18% than that of previous year i.e BDT 43,807 million. Consolidated Operating Revenue for the year 2018 amounted to BDT 7,144 Million, which is 10% higher than last year's BDT 6,516 million. All through the year 2018, the interest rate was in a declining state, the Net Interest of Standard Bank Ltd. increased by 25% over last year. Consolidated Net Interest for the year 2018 amounted to BDT 3,710 Million compared to BDT 2,998 million of 2017.

CREDIBILITY IN PAYMENT OBLIGATIONS

Standard Bank Ltd. has strong credibility in terms of payment of its obligations to the lenders and suppliers. Standard Bank Ltd. is very particular in fulfilling the terms of payment or repayment agreements without any exception. This has resultant from our effective liquidity management plan.

OPTIMISTIC KEY FINANCIAL RATIOS

The key financial ratios of Standard Bank Ltd. for the year 2018 indicate a very positive picture as evident from financial highlights and graphical presentation of

financial position given separately in this annual report. Financial ratios indicate Standard Bank Ltd.'s sound financial strength and good prospects.

POSITIVE CASH FLOW

SBL's cash flow analysis represents its strengths about its ability to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents, which will lead the organization to a sustainable future growth. Consolidated Operating Cash Flow before changes in operating assets and liabilities in 2018 was BDT 229.37. Net Operating Cash Flow after changes in operating assets and liabilities shows impressive growth of net inflow of BDT 234.50 million, which was BDT 66.77 million in previous year.

BUSINESS EXPANSION

SBL has expanded its segment geographically by opening new branches in different places considering the economic significance. In 2018, Standard Bank Ltd. opened 9 new branches and initiatives have been taken to open 5 new branches in 2019 at different places in Bangladesh. As on 31 December 2018, Standard Bank Ltd. has 134 Branches. Standard Bank Ltd. gives due importance on product diversification a key strategy to achieve customer satisfaction by tailoring the need of customers. It is the impact of our sound organizational structure, skilled and dedicated work force and business strategies that in the year 2018, Loans and Advances has increased by 14% and Term Deposit has increased by nearly 15% compared to that of 2017. SBL's Management has positive intent to maintain this growth in future years which represent bank's intention to perpetuity.

CONSISTENT PAYMENT OF DIVIDENDS

Standard Bank Ltd. has been paying consistent dividend to its shareholders over many years, which reflects company's long term vision and firm commitment to its shareholders.

WORK ENVIRONMENT AND EMPLOYEES' SATISFACTION

There exists a very good corporate working environment in the bank. Standard Bank Ltd. is an excellent work place with a friendly working environment. Communication among the employees is excellent. The organization endeavors to be honest and practices fair treatment to all employees, which ensures healthy corporate

environment. The company pays a very competitive compensation package and there exists a good number of employee benefits like provident fund, gratuity fund, home and personal loan for employees at a reduced rate, employees' health insurance, incentive bonus, transport facility to the eligible employees. Pay scale are frequently revised to give effect of inflation as well as to align with the industry level. These factors are instrumental for employee satisfaction.

MAINTENANCE OF ADEQUATE CAPITAL

As per BASEL-III, a Bank should maintain capital at least 10.00% of its Risk Weighted Asset. SBL maintains its capital above the threshold level consistently even though growth of RWA is significant. As on 31 December 2018, Capital to Risk Weighted Asset Ratio (CRAR) of Standard Bank Ltd. stands at 10.10% on solo basis. To fulfill its capital requirement in the future as per BASEL-III deadline, Standard Bank Limited is going to issue another tranche of "3RD STANDARD BANK NON-CONVERTIBLE SUBORDINATED DEBT" for total BDT 500.00 Crore to meet up the Tier II capital requirement of the Bank.

SATISFACTORY CREDIT RATING

Credit Rating Information and services Ltd. (CRISL) has rated the Bank on 30 June 2018 with "AA" in the long term and ST-2 for the Short Term based on audited financial statements of 2017 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The rating reflects the strengths of the bank which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

CHANGES IN GOVERNMENT POLICY

Standard Bank Ltd. Management anticipates no significant change in legislation or government policy, which may materially affect the business of Standard Bank Ltd. Based on the above mentioned indications, Directors feel that it is appropriate to adopt going concern assumptions. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing the financial statements of Standard bank Ltd.

STATEMENT ON ETHICS AND COMPLIANCE

We are steadfast in our commitment to living up to our Core Values of Trust, Respect, Belief, Humility and Integrity. As Standard Bank Ltd., we live by these values and know that by doing so we promote:

- An environment of Trust and openness that encourages telling the fact always;
- Respect for one another, our Representatives, customers, stakeholders and public servants who regulate and enforce the law;
- Sufficient Belief in ourselves and one another to pursue our mission in accordance with our values;
- The Humility to let our performance speak for itself and admit our mistakes; and
- Integrity in all situations, whatever the pressures or temptations, wherever we may be and no matter the potential consequences.

Standard Bank Ltd. pays close attention to the moral concerns in order to make the right ethical decisions on a day-to-day basis over and above observing the law, one of the basic professional requirements for the banking sector. We at Standard Bank Ltd believe that the upholding of an ethical culture in financial sector is of critical interest to the customers, employees, regulators alike and to the banking sector itself as a secured, reliable and efficient financial sector system in one of the pillars of economic stability of any country. Hence, nurturing an ethical culture is of utmost importance for banking institutions, like any other organization. Our core ethical values include honesty, integrity, fairness, responsible citizenship, and accountability. Enforcing a corporate code of ethics requires understanding and active participation by everyone in Standard Bank Ltd. since the Code spells out the expected standards of behavior and sets the operating principles to be followed. Every official should ensure that the bank at all times maintains high ethical standards and adequate internal control measures are in place guarding against unethical practices and irregularities.

CODE OF ETHICS & PRINCIPLES OF CONDUCT

True spirit of ethical practices is at the core of what Standard Bank Ltd. secures in the course of business. We fondly believe that our achievement can only be sustained by creating effective corporate governance, professionalism among its staff and strictly adhering to rules and regulations designed in high ethical standard. Principles of conduct at Standard Bank Ltd. govern each employee to act ethically in daily activities. Our employee Code of Ethics & Principles of Conduct applies to everyone who works at Standard Bank Ltd., including employees (both permanent and contractual), contractors and consultants. The Code is supported by a number of more detailed policies that form part of the Conduct and Ethics Policy Framework. These cover issues such as anti-bribery, fraud and corruption, equal opportunity, bullying and harassment, conflicts of interest and work expenses. Our ethical acts eventually turns to the commitments we make to our stakeholders.

In a nutshell, our business ethics means, Choosing the good over the bad, the right over the wrong, the fair over the unfair and the truth over the untruth". Strict

compliance, confidentiality, avoidance of conflicts of interest, encouraging the reporting by the Officers of the Company on illegal and unethical behaviour is also amongst the guiding principles of the banks Code of Ethics.

MONITORING COMPLIANCE

Compliance with our Code of Conduct and Ethics is embedded in our employment contracts, recruitment and performance management activities. We have set explicit targets for compliance, commencing at executive management level. All employees are required to comply with our Code of Conduct and Ethics and report conduct that may be in breach of the law, the Code or policy. Advice on Standard Bank Ltd. policies, practices and management systems is available via our Human Resources department. Any employee, contractor or consultant can confidentially report concerns about conduct, practices or issues to our HR department. To help our employees in applying the principles of our Code of Conduct and Ethics and the Conduct and Ethics Policy Framework, we have developed a training course regularly for the newly appointed employees. Case studies are provided to assist staff in translating the Code and related policies into real-life situations. All employees are required to complete this training course each year. Declarations within the course require each employee to confirm whether they understand the Code's principles, have complied with them over the previous 12 months and agree to comply with them in the future. Compliance is a Key Result Area examined as part of our Performance Management Process and failure to complete required compliance training can be a factor in determining the employee's entitlement to performance-based remuneration and could lead to termination of employment in serious cases. Additionally, employees are required to undertake issue-specific training for topics such as money laundering, counter terrorist activity, fraud, corruption and privacy. Our HR Manual covers our Code of Conduct and Ethics, standards and behaviors, and important policies and procedures such as our Anti-Bribery Policy and Fraud and Corruption Policy. All Management Cadres must complete an annual attestation that they have read and understood these ground rules and failure to complete this may result in a flag being raised in an individuals performance review.

REPORTING COMPLIANCE

We have reported breaches of our Code of Conduct and Ethics framework yearly. Breaches of operational, regulatory and compliance requirements are tracked and case management, with corrective action closely monitored until closed. All breaches of the Code are reported annually to our Management Committee and form part of regular risk reporting to the Management Credit Committee. Compliance with our Code of Conduct and Ethics is monitored by Internal Audit, who ensures processes are in place to appropriately investigate alleged breaches of the Code. We also conduct annual testing of the controls that support our Code of Conduct and Ethics, which forms part of our financial reporting governance program and the results are made available to External Auditors in connection with their external audit of the Group's consolidated financial statements.



RISK GOVERNANCE

Drill
Down



CHIEF RISK OFFICER'S

REPORT ON

RISK MANAGEMENT



Practicing sound risk management is crucial for banking sector. As also clearly pointed out in the OECD's sixth peer review based on the OECD Principles of Corporate Governance, it is now admitted on all hands that sound enterprise risk management presupposes sound corporate governance practice in banking organizations in particular. In recognition of this, Basel Committee on Banking Supervision (BCBS) cited Risk Management function as its 6th principle in its Guidelines on Corporate Governance Principles for Banks. To quote the Principle 6: "Banks should have an effective independent risk management function, under the direction of a chief risk officer (CRO), with sufficient stature, independence, resources and access to the board".

In timely recognition of the need for enterprise wide risk oversight, Bangladesh Bank recently issued its revised "Risk Management Guidelines for Banks" vide its DOS circular no.04 dated October 08, 2018, which is in line with internationally accepted risk management principles and best practices. The guideline is also aligned with the revised version of Basel Core Principles (BCP) for Effective Banking Supervision published by the Basel Committee on Banking Supervision (BCBS) in September 2012. The BCP on 'Risk Management Processes' (CP15) requires that banks have a comprehensive risk management process (including effective Board and senior management oversight) to identify, measure, evaluate, monitor, report and control or mitigate all material risks on a timely basis and to assess the adequacy of their capital and liquidity in relation to their risk profile and market and macroeconomic conditions. Therefore, the risk management process of any bank is expected to be commensurate with its risk profile and systemic importance. The revised risk management guideline also touched on major CPs such as Corporate Governance (CP14), Capital adequacy (CP16), Credit risk (CP17), Problem Assets Provisions and Reserves (CP18), Concentration Risk and Large Exposure Limits (CP19), Market risk (CP22), Liquidity risk (CP24), Operational risk

(CP25), Interest rate risk (CP23), Financial Reporting and External Audit (CP27) and Disclosure and Transparency (CP28). The said guideline also recommended banks to prepare 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. Besides, the RMD has also been entrusted with 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. In view of the gravity and importance of oversight of bank-wide risk management, Standard Bank Limited has already put in place an independent Risk Management Division approved by its Board of Directors under the direct supervision of Chief Risk Officer, who is accountable to the Board Risk Management Committee. In line with the said guideline, the Bank has also put in place 5 (Five) nos. of desks (Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Risk Research & Policy Development) for oversight of bank-wide risks as the bank's second line of defense. Besides, the Bank has also been following the Phase-in arrangements for Basel III implementation in Bangladesh as per Bangladesh Bank BRPD Circular no.-18 dated December 21, 2014. As part of enterprise-wide

risk governance framework, the Bank prepares its risk appetite statements on yearly basis in line with its long term plan and conducts its operations with the purview of its risk appetite frameworks and internal limits set by its Board of Directors. Besides, as part of its quantitative and qualitative analysis, the bank also conducts stress analysis on quarterly basis and communicates the same to the Executive Risk Management Committee (ERMC) and Board Risk Management Committee (BRMC).

Risk simply means the unexpected situation or the deviation of the expected outcome. It is an inherent part of any business operation. It may arise from internal faults or from external factors affecting adverse result in the said business or downgrading of the image of the institution. In banking business, risk factors are generally exposed to its lending and trade-service business and other operational activities. Banks need to meet forthcoming regulatory requirements for risk measurement and mitigation thereof by arrangement of capital and provisions. However, to meet the regulatory requirements is not enough. A sound and scientific risk management system should be in place for regular monitoring, performance evaluation and corrective measures. Managing and mitigating such risks are always a prioritized concern of not only the Risk Management Division, but also the entire Management Team of the Bank under the leadership of the Hon'ble Board of Directors of Standard Bank Ltd.

Being a banking organization, Standard Bank Limited is also not immune from inherent risks like liquidity risk, credit risk (including residual risk, dilution risk, settlement/delivery risk, and counterparty risk); interest rate risk; foreign exchange risk and other market risks; concentration risk, particularly including risks of exposure of the bank to one person or a group of related persons; bank's investment risks; risks relating to the country of origin of the entity to which a bank is exposed (country risk); operational risk particularly including legal risk; risk of compliance of the bank's operations; risk of money laundering and terrorist financing; and strategic risk. The entire risk profile of the Bank is constantly monitored by the Management under three (3) lines of defense framework. The risk profile of the Bank is also quantified in terms of Pillar I and Pillar II of Basel III framework. Under Pillar I, the Bank assesses its minimum capital requirement against Credit, Market and Operational Risk on quarterly basis and reports the same to Bangladesh Bank. The Bank also quantifies other risk areas as a part of Internal Capital Adequacy Assessment Process under Supervisory Review Process of Pillar II on yearly basis, which is also submitted to Bangladesh Bank. As per the Pillar III of Basel III framework, the Bank has also been making disclosures as per Basel III framework.

The afore-said banking risks are also addressed through proactive enterprise risk management techniques including Key Risk Indicators (KRIs) developed on the

basis of Comprehensive Risk Management Guideline of the Bank, Credit Risk Management Guideline, Asset Liability Management Guideline, Foreign Exchange Risk Management Guideline, Internal Control and Compliance Guideline, Money Laundering & Terrorist Financing Risk Management Guidelines and ICT Security Guideline and other circulars issued by Bangladesh Bank from time to time. Besides, the Bank has also developed its own Risk Appetite Framework, based on which, it sets Risk Appetite Statement on yearly basis with approval of the Hon'ble Board of Directors. The Bank regularly follows up with its Management Action Triggers based on its approved Risk Appetite Statements. In order to ensure that the Bank identifies, monitors and control risks on an ongoing bank-wide and individual entity basis, the Bank has already developed its own risk management framework, risk identification and risk mitigation strategy, which were prepared in light of all the guidelines and circulars issued by Bangladesh Bank from time to time. The upcoming sections of this annual report (namely, Risk Management Framework, Risk Mitigation Strategy, Disclosures on Risk Based Capital based on 31.12.2018, Capital Planning & Management and Statement of Non-Performing Loan) outlines the overall bank-wide and individual entity basis risk management practices followed in the bank, where mitigation of the Banking risks are ensured through proactive risk management activities and proper compliance of the core risk management guidelines of the Bank.

It needs no explanation that in addition to existing risk profiles, banks are always exposed to emerging risks. The Executive Risk Management Committee (ERMC) of the Bank always deliberates on such emerging risks, oftentimes, with the aid of its internal stress testing framework. As part of its quantitative and qualitative analysis, the bank utilizes stress tests and scenario analyses to better understand potential risk exposures under a variety of adverse circumstances. Stress test results are periodically reviewed with the Board of Directors or Board Risk Management Committee (BRMC). Test results are incorporated into the reviews of the risk appetite, the capital adequacy assessment process, the capital and liquidity planning processes, and budgets. The results are also linked to recovery and resolution planning. The Risk Management Division (RMD) also suggests if and what action is required based on results and the results of stress tests and scenario analyses are also communicated to, and given appropriate consideration by, relevant business lines and individuals within the bank.

An effective risk governance framework requires robust communication within the bank about risk, both across the organization and through reporting to the Board and Senior Management. Therefore, the Bank ensures that there prevail ongoing communications about risk issues including the bank's risk strategy throughout the bank as a key tenet of its risk culture. The Executive Risk

Management Committee (ERMC) and the Board Risk Management Committee (BRMC) strongly emphasize on promotion of risk awareness and encourage open communication and challenge about risk-taking across the organization as well as vertically to and from the Board and Senior Management.

Standard Bank Limited has already completed its 20 years of journey. The Management and Board of the Bank feel and believe that, with the growth of its business, strengthening its oversight and building a strong risk management structure is a priority. The bank is well aware that its business also carries certain risk elements. Therefore, it has set its risk management policies in terms of risk appetite statement and introduced effective risk assessment procedures, monitoring and oversight in a very methodical and conscious manner in order to control the internal and external risks at an optimum level. It has been able to establish an inherent culture of continuous and gradual improvement. On a final note, we would like to reaffirm our stakeholders that the Bank has always been committed to remaining fully complied and maintaining transparency in risk mitigation so that the Bank can build its business on the concrete foundation of “sustainability”.

With Thanks and Best Regards.



Md. Tariqul Azam

Additional Managing Director & Chief Risk Officer

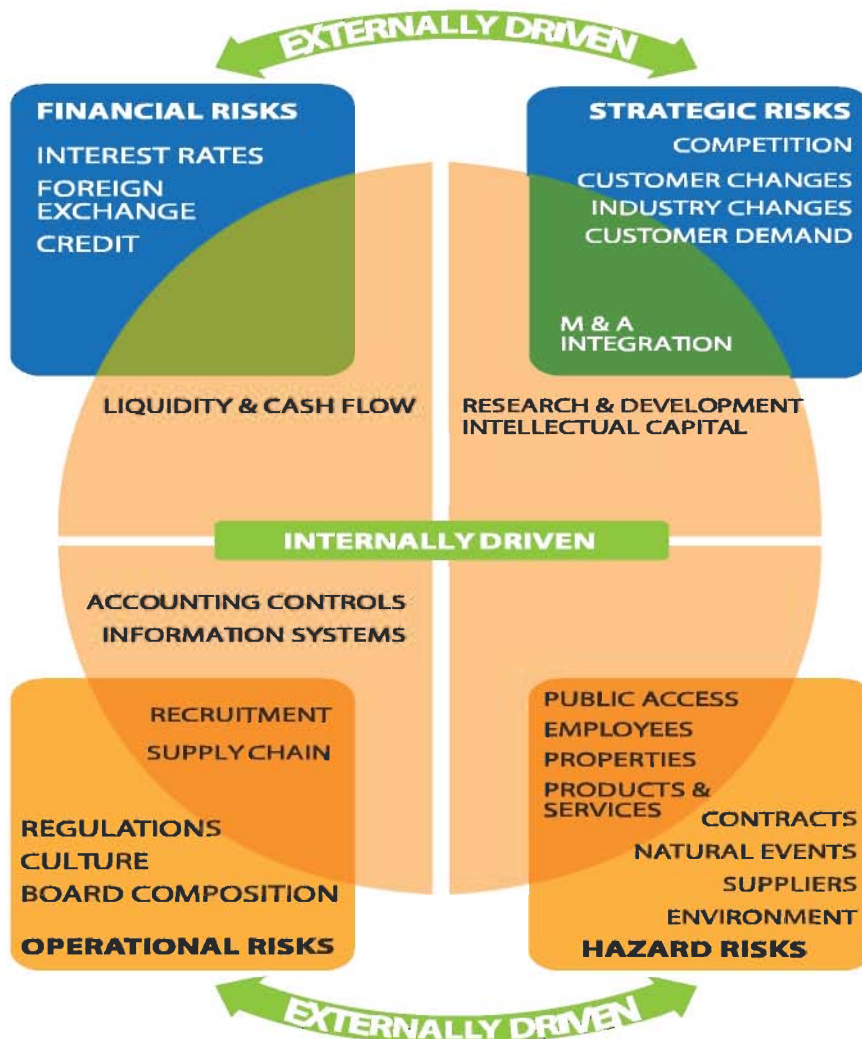
RISK MANAGEMENT FRAMEWORK

Risks are usually defined by the adverse impact on profitability of several distinct sources of uncertainty. Risk Management system is a pro-active action in the present for the future. Business grows mainly by taking risk. It is generally understood that the greater the risk, the higher the profit. Therefore, every bank must strike a balance between the two.

The goal of risk management is ensuring depositors' interest as well as addressing the objectives of the bank's stakeholders including Customers, Management, Employees, Boards of Directors, Shareholders, Supervisors, Rating Agencies, Investors, Creditors and Counter Parties.

Risk-taking is an inherent element of banking and 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.

KEY DRIVERS OF RISK



RISK MANAGEMENT STRUCTURE

Responsibility for risk management resides at all levels within the Bank starting from the Board of Directors, Risk Management Committee (RMC) and the Executive Committee down through the organization to each business manager and risk specialist. Bank distributes these responsibilities so that risk/return decisions are taken at the most appropriate level; as close as possible to the business and subject to robust and effective review and challenge. The risk management procedures are approved, monitored and mitigated at various stages of the Bank with inputs from the Board of Directors as well as Committees and divisions namely Executive Committee, Audit Committee, Risk Management Committee (RMC), Management Committee (MANCOM), Assets Liability Committees (ALCO), Risk Management Division (RMD), Management Credit Committee (MCC), Internal Control & Compliance Division (ICCD) and Central Compliance Unit (CCU). On an enterprise basis, the Bank's overall risks are reviewed, monitored and supervised by Chief Risk Officer (CRO) of the Bank supported by Risk Management Division (RMD).

RISK MANAGEMENT STRATEGY

At a strategic level, Bank's risk management objectives are:

- To identify the Bank's material risks.
- To formulate the Bank's Risk Appetite consistent with its overall all risk profile and capital adequacy.
- To optimize risk/return decisions by taking them as closely as possible to the business while establishing strong and independent review and challenge structures.
- To ensure that business growth plans are properly supported by effective risk infrastructure
- To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions.
- To help executives improve the control and coordination of risk taking across the business.

RISK MANAGEMENT FRAMEWORK:

The primary objective of risk management is ensuring 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.

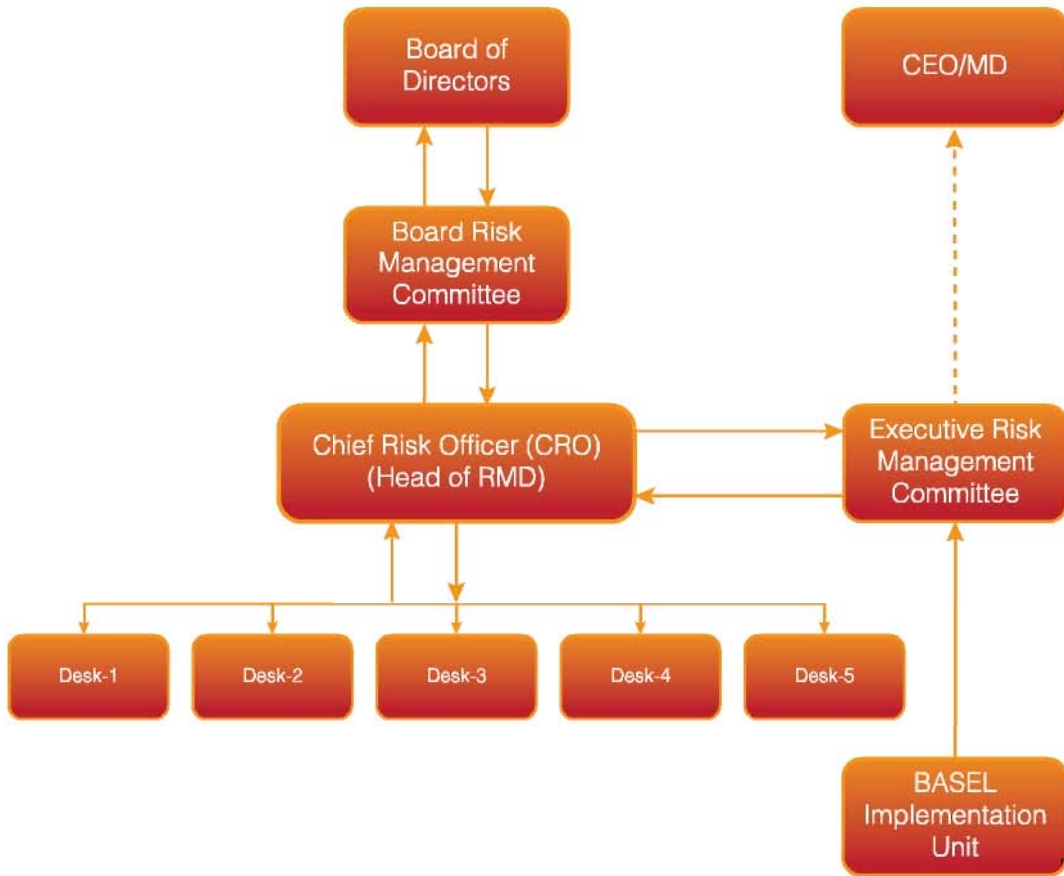
EXECUTIVE RISK MANAGEMENT COMMITTEE:

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 of Directors. 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):

The organogram of the Risk Management Division (RMD) of the bank follows the structure of the revised Risk Management Guidelines for banks issued vide DOS Circular Letter no. 04 dated October 01, 2018 as detailed follows:



| RISK GOVERNANCE |

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 to the risks they pose. 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.



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.

- 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.

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, measured, and managed.

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:

GOVERNING FINANCIAL OBJECTIVES:

Key focus lies 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.



*Risk management techniques are regularly reviewed and updated to ensure consistency with 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 by 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 that 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.

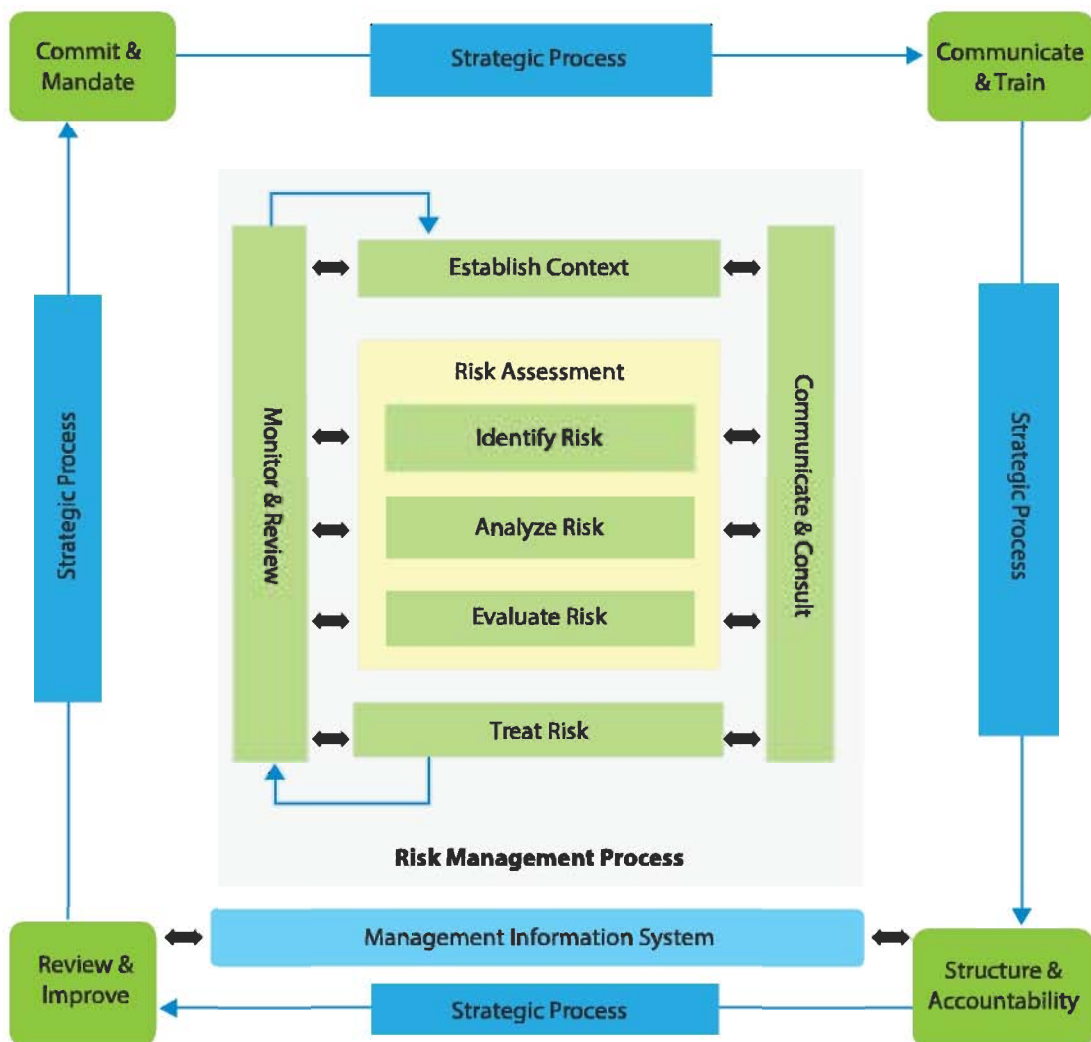
Processes:

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, reviewing and keeping close watch over the risks and the controls are implemented to mitigate the risk. Finally, the process includes a permanent and ongoing effort at communication and consultation to ensure that the stakeholders are engaged and contribute to the management of risks.

COMPATIBLE RISK MANAGEMENT FRAMEWORK AND RISK MANAGEMENT PROCESS



Standards:

Define the breadth and quality of information required to make a decision and set 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.

ROLE OF RISK MANAGEMENT DIVISION:

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, 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 the Senior Management, and/or the Board depending on the limit or guideline.

RISK REPORTS:

Through Department of Offsite Supervision (DOS) circular letter no. 04 dated 02 October 2018, Bangladesh Bank instituted greater expertise in the area of risk management activities of the bank through exercise of international best practices. Accordingly, the Bank conducts risk reporting as per one Bangladesh Bank reporting format namely 'Comprehensive Risk Management Report (CRMRR)' for the month of June and December and another reporting format namely 'Monthly Risk Management Report (MRMR)' for all other months of the year. In addition to the above issues, the bank also complies with the following instructions of Bangladesh Bank:

- 1) 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 acknowledgment.
- 2) 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.

In today's economy, banks are faced with critical challenges in finding new and better ways of increasing top-line revenues, maintaining necessary capital ratios, improving margins, strengthening balance sheets and enhancing efficiencies. Regulatory changes, compliance, economic volatility, and issues involving data security, distressed lending and troubled assets add even more concern.

RISK MITIGATION STRATEGY

When it comes to Risk Assessment and Risk Mitigation, Standard Bank Limited always adheres to some cardinal values which include ethics, planning, review, disclosure, competence and KPIs. Standard Bank Limited firmly believes that sustainability of risk management framework cannot be meaningful in absence of the said values as depicted in the following:



In consideration of its overall risk profile and in light of the guidelines of Bangladesh Bank, Standard Bank Limited formulated its comprehensive and core risk mitigation policies. Key aspects of the risk mitigation strategies of the bank include, inter alia, the following prudential aspects:

A. Credit Risk Management:

Credit risk is the risk of loss that may occur from the failure of any counterparty to make required payments in accordance with agreed terms and conditions and deterioration of creditworthiness. Credit risk may arise

from the banking book, trading book even from non funded exposures.

In order to mitigate Credit Risk, the Bank has taken the following steps:

- Formulation of Credit Risk Policy, which clearly defines our objectives, criteria, credit approval process and clear-cut responsibilities of individuals associated with approving and administering the credit portfolio of the bank;
- Credit proposals are exhaustive and contains security etc. to enable the credit approving authority to make well-informed decisions;
- Centralized setting up of credit limits to ensure accuracy and control;
- Customers are actively encouraged to rate themselves through approved credit rating agencies which is a good indicator of the financial health of the customers;
- System based monitoring of credit limits, maturity etc.;
- Periodic credit portfolio review;
- Industry and business segment focus including lending caps;
- Types of credit facilities;
- Industry and Business segment focus- grow, maintain & shrink;
- Single borrower exposure limit including syndication loans;
- Discouraged business types;
- Large loan -10% or more of Bank's total capital is considered and the maximum limit set according to net classified loans of the bank;
- Loan facility parameters (Loan size, tenor, margin & security etc.);
- Acceptable securities with quality and value;
- Credit Risk Grading process is followed;
- Insurance coverage (on goods/machineries etc financed by the bank) policy;
- Loan pricing strategy;
- Loan Approval Process is clearly defined;
- The Early Alert Reporting system is in place;
- Cross-border risk;
- Credit assessment and credit risk grading;
- Environmental Risk Rating;
- NPL Account Management and Credit Recovery policy is in place;
- Audit & Inspection is done on CRM annually;
- Periodic stress testing etc;

The Bank has segregated duties of the officers/executives involved in credit related activities. Credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed within the credit functions namely Credit Division and Credit Administration Division. Credit Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation, etc.

A thorough assessment is performed by Credit

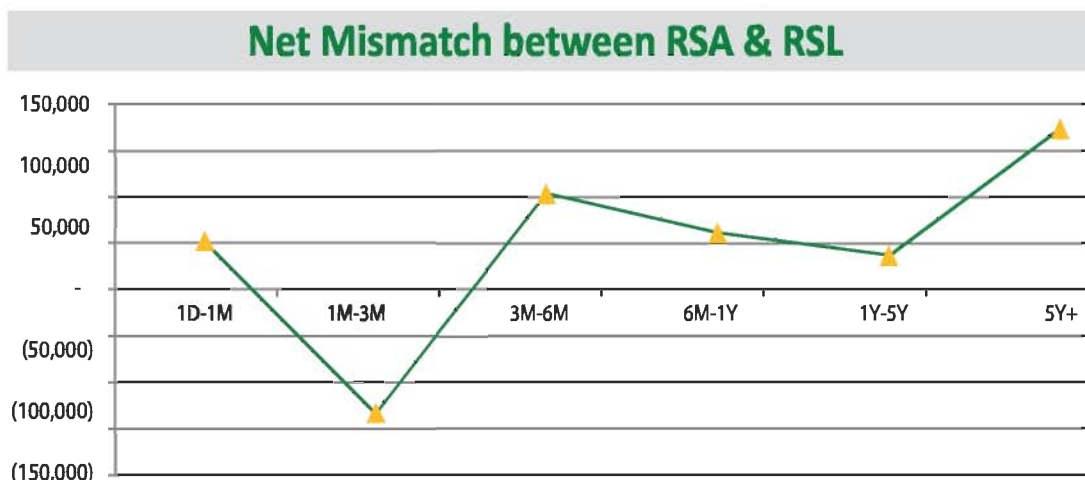
Division before sanctioning of any credit facility. The risk assessment includes borrower's risk analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at the branch level by the relationship manager/officer and ends at Credit Division when it is approved/declined by the Competent Authority. Credit approval authority has been delegated to the Credit Committee.

In determining Single Borrower Exposure/Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodic intervals to ensure compliance of Bank's internal and Regulatory policies.

Loans are classified as per Bangladesh Bank's guidelines. Interest accrued on classified loan is suspended and adequate provision is maintained thereagainst as per Bangladesh Bank Guidelines.

B. Asset Liability Risk Management

The Bank's assets and liabilities are managed in order to maximize stakeholder's value, to enhance profitability and increase capital, to serve customer and community needs, and to protect the bank from any disastrous financial consequences arising from changes in interest rate/liquidity. The responsibility of managing the asset/liability management procedures are monitored by the Asset/Liability Management Committee (ALCO).



Asset Liability Risk Management is an integral part of risk management in our bank. There is a structured and systematic process to manage the asset liability risk as well as the Balance Sheet. Asset Liability Management (ALM) Desk is an independent unit within the Treasury Division. The desk meticulously monitors and analyzes cash flows and cash positions, balance sheet gaps, daily profit and loss, economic trends, investment options, arbitrage opportunities, business growth, liquidity and places the facts and findings before the ALCO with its recommendations on a regular basis.

A committee named Asset Liability Committee

(ALCO) comprising senior management of the bank has been established to make important decisions relating to liquidity, interest rate and balance sheet management of the bank.

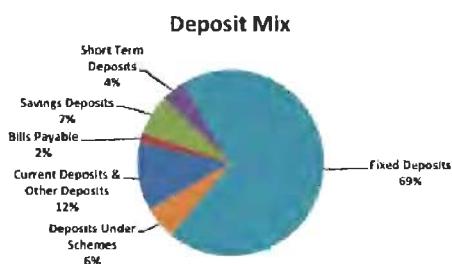
ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same. However, the main functions of the ALCO are:

- To ensure adequate liquidity at all times;
- To ensure adequate capital to meet business and regulatory requirements;
- To diversify funding sources;
- To manage balance sheet and ensure business strategies consistent with liquidity requirements;
- To establish asset and liability pricing policies to protect liquidity structure;
- To recommend the aggregate volume of all the Bank's standby liquidity commitments;
- To prepare Liquidity and Capital Plans and Contingency Funding Plans and recommend liquidity limits;
- To review and approve assumptions used in Maximum Cumulative Outflows and Contingency Funding Plans;
- To approve revenue targets related to Earnings at Risk limits;

- To comply with corporate policies on hedging capital;
- To comply with all regulatory requirements and review regulatory reporting;
- To establish and monitor relevant liquidity ratios and balance sheet targets;
- To ensure that the Head of Treasury has the necessary support to perform his/her job.

LIQUIDITY RISK MANAGEMENT

Liquidity Risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc.



The intensity and sophistication of liquidity risk management processes depend on the nature, size and complexity of a bank's activities. Sound liquidity and controlling liquidity risk is critical to the viability of the Bank. Our liquidity risk management procedures are comprehensive and holistic. Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) and the Committee meets at least once in every month. Asset Liability Management (ALM) desk of the treasury function closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the Bank. A monthly projection of fund flows is received in ALCO meeting regularly.

INTEREST RATE RISK MANAGEMENT

Interest rate risk has the potential impact on a bank's earnings and net asset values due to changes in market interest rates. Interest rate risk arises when a bank's principal and interest cash flows (including final maturities), both on-and off-balance sheet, have mismatched re-pricing dates.

However, the Bank has segregated both the interest rate sensitive assets and liabilities into different time buckets to find the asset/liability mismatch. The duration gap analysis is also being carried out on quarterly basis.



Existing Interest Rate Risk assessment structure and control system of the Bank are as follows:

- Duration Gap Analysis: Calculate net GAP per time period and the cumulative GAP. Determine maximum tolerated GAP as determined by the ALCO policy;
- Market Value Analysis;
- The following ratios are good indicators of Interest Rate Risk analysis and these are calculated on regular basis :
 - ◆ Net Interest Income
 - ◆ Net Interest Margin
 - ◆ Interest Earning Asset to Total Assets
 - ◆ Average Interest Rates of Loan
 - ◆ Average Interest Rates of Deposit etc.
- Sensitivity Analysis;
- Maturity profile Analysis;
- Stress Testing is conducted;

Moreover, most of the bank's assets and liabilities are on floating interest rates, therefore, the bank is less exposed to interest rate risk due to mismatch between floating and fixed rate.

However, due to market wide downward trend of interest rate, the Bank is likely to be exposed to lower income due to lower interest spread. To manage this risk, the Bank is actively planning to reduce its administrative expenses and increase fee-based income.

C. Foreign Exchange Risk Management

Foreign Exchange risk is the risk to earning arising from adverse movements in currency exchange rate. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. An investment's value may change adversely incurring loss due to changes in exchange rates.

Treasury Division of the bank measures and monitors the foreign exchange risks. The Bank has formulated a treasury manual, which has been implemented for managing foreign exchange risks as per directives of Bangladesh Bank.

The functions of treasury front office, mid office and back office have been segregated. The operational guidelines have also been formulated specifying the roles and responsibilities of front, mid and back office so that various foreign exchange transactions can be conducted according to the policy guidelines of the Bangladesh Bank and the risks can be measured, monitored and mitigated.

Existing structure of risk assessment and control system of Foreign Exchange Risk of the Bank are as follows:

- All exchange trading and positions are conducted and maintained by Treasury Front Office within the limits approved by Board of Directors and Bangladesh Bank.

The following limits are in place:

- ◆ Intraday Spot Trading Limit.
- ◆ Per Deal Stop-loss Limit
- ◆ Daily Stop Loss Limit
- ◆ Per Deal Limit
- ◆ Trigger Limits
- ◆ Individual Dealer's Limit
- ◆ Limit for Cover Operations
- ◆ Forward and Swap Trading Limit
- ◆ Corporate Limits
- ◆ Overnight Trading Limit
- ◆ Off Premises Limit
- ◆ Open Position Limit
- ◆ After Hour's Limit
- ◆ Counter Party Limits

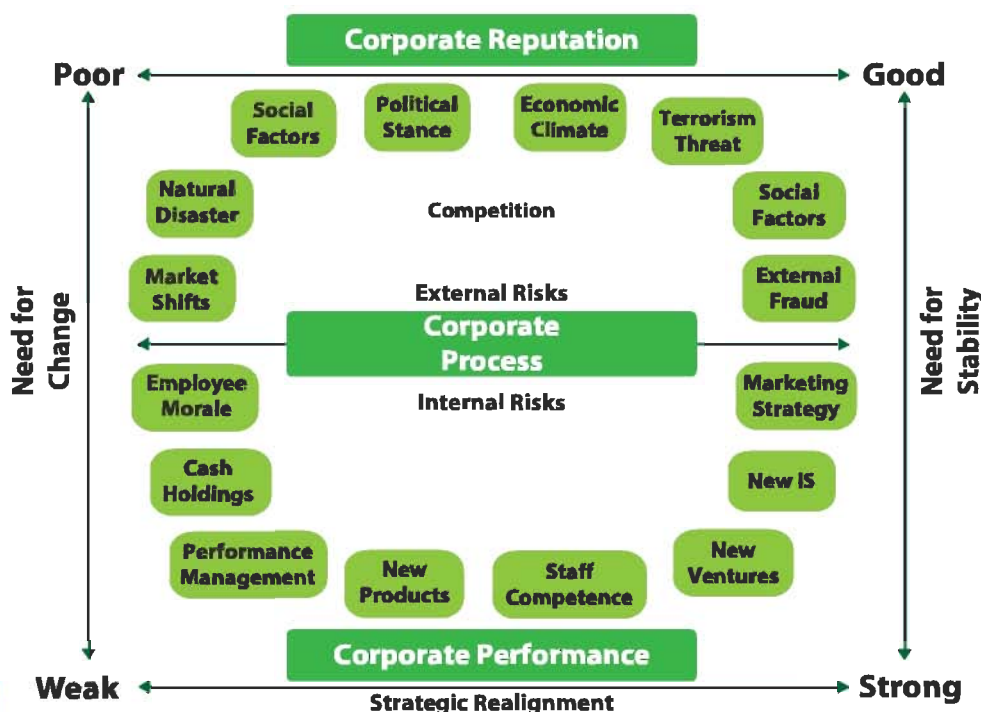
- From time to time, dealers are monitoring dealing limit and the dealers are maintaining and keeping record of their Foreign Currency Transactions;
- Treasury Back Office is in place, which monitors and settles all foreign currency dealings. The Back Office is maintaining all accounting entries of foreign exchange deals originated by Front Office as also entries originated by the branches. The Back Office is also maintaining Daily Exchange Positions to assess and monitoring FEX risks;
- Treasury Middle Office is in place to check whether the deals are being struck within the limits.

D. Internal Control and Compliance Risk Management

Internal Control refers to policies, plans and processes effected by the Board of Directors of the Bank and performed on continuous basis by the Senior Management and all levels of employees within the Bank. These internal controls are used to provide reasonable assurance regarding the achievement of organizational objectives. The system of internal controls includes financial, operational and compliance controls.

For safeguarding the organization's assets, internal controls primarily aim to support the management in the identification and mitigation of those risks, which the Bank may encounter in the fulfillment of its business objectives.

The internal control system of the bank ensures that all the necessary policies, guidelines and manuals are in place and all concerned are following the same strictly and meticulously including Departmental Control Function Check List (DCFCL). To monitor the overall effectiveness of the internal control system, the Management Committee (MANCOM) regularly reviews the policies & procedures as well as the structure assigning clear responsibility, authority and reporting relationship.



The Internal Control & Compliance (ICC) Division is working independently to evaluate the Internal Control System of the Bank so as to ensure good governance, transparency & accountability. The ICC Division is conducting comprehensive internal audit of the branches as well as different divisions/departments of Head Office on an ongoing basis.

The Division reviews the activities of branch's Internal Control Unit (ICU) continuously through different control processes to minimize irregularities/lapses, to prevent fraud/forgery and to control existing/emerging risks. The significant deficiencies identified by the audit team are placed before the Senior Management as well as the Audit Committee of the Board. Audit Committee of the Board regularly monitors the functions of Internal Control & Compliance Division with their necessary suggestions/recommendations and also reports to the Board of Directors from time to time.

Risk Based Internal Audit (RBIA) is being carried out annually for risk profiling/categorization of the branches based on the level of its various risks. Strong monitoring & close supervision ensure functional efficiency of the branches & different divisions/departments of Head Office by maintaining control environment at operational level. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also bank's own policy & procedures.

By enforcing effective & sound Internal Control System, ICC is performing its activities for further improving overall work performance of the Bank towards achieving its ultimate objectives.

E. Money Laundering Risk Management

Effective anti-money laundering and combating the financing of terrorism regimes are essential to protect the integrity of markets and of the global financial framework as they help mitigate the factors that facilitate financial abuse. Money laundering risk is a risk of incurring loss due to inadequate due-diligence resulting in reputational, operational, legal and concentration risks involving significant cost.

"Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" have been formulated for strict compliance as per directives of Bangladesh Bank.

The Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the Competent Authorities as per regulatory requirement in respect of hundi activities, abnormal transactions, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structuring Monitoring Report, Half Yearly Report on Self Assessment Reports of branches & independent testing procedure conducted by ICC Division and similar other areas.

The bank has so far ensured compliance with all the rules and regulations on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) issues.

Existing Risk Assessment structure and control system of AML of the Bank are as follows:

- Each Branch has a Branch Anti-Money Laundering Compliance Officer (BAMLCO) to assess and monitor Money Laundering Risk.
- Cash Transaction Reporting System is in place and the concerned department regularly submitted CTRs to Bangladesh Bank.
- Suspicious Transaction Reporting system is in place and the concerned department is regularly submitting the report to Bangladesh Bank.
- Hundi Activities and Abnormal Transaction monitoring system are in place.
- Self Assessment Process & Independent Testing Procedure as per 'Guidance Notes on Prevention of Money Laundering 'of Bangladesh Bank is in operation.
- ICC division regularly conducts Audit & Inspection to the Branches on AML.

The Bank is regularly arranging Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories of Executives/ Officers of the Bank.

F. Information & Communication Technology Risk Management

ICT risk management is embedded with organizational internal control system which is used as part of the management control for risk management in the organization. This management control emphasizes both business control and technological control which support business requirement and governance. Business and technological controls are involved in the policies, processes and systems. Internal control and the audit process control the entire range of interactive transactions and internal transactions across organization as well as monitor and manage risks including business risks and ICT risks. Internal control and audit have played a vital role of risk management which can be used to:

- Provide risk management and control advice to relevant personnel.
- Provide independent assurance to the authority about the adequacy and effectiveness of controls and other risk management activities.

The Bank has integrated technology for its business operation and is continuously upgrading its technological aspects to keep pace with modern banking practice. With its centralized online banking solution, the Bank is now able to serve its customers from anywhere any time. The Bank has already launched debit card, credit card, prepaid card, SMS banking, web-based remittance facility and automated emailing customer's statement. Bangladesh Automated Cheque Processing System (BACPS) and Bangladesh Electronic Fund Transfer Network (BEFTN) have also been established as per guidelines of Bangladesh Bank.

The Bank has upgraded its data centre during the previous year with high-end servers and networking equipments to accommodate growing business transactions with adequate security. Besides the data and network securities, various physical security measures like data center access control, environmental security, fire prevention, etc. have been maintained adequately. The bank has also set-up disaster recovery site with advanced technology which can be readily accessed in case of any disaster of the data centre so that the customer services are not hampered.

Existing Risk Assessment structure and control system for ICT operations of the Bank are as follows:

- Centralized ICT Operation;
- The entire computer Terminals/PC/Servers locating inside the infrastructure of the Bank are connected to each other through secure network communication;
- Internal Information System audit is done once in every year by Internal Control and Compliance Division (other than IT Division);
- Adequate insurance coverage or risk coverage fund is being maintained;
- Mission critical equipments & applications are being kept under Service Level Agreement.
- Record keeping of inventory details of computing assets is in place;
- Operating procedures for all applications / systems / modules etc. are documented and maintained;
- Redundancy at each level of Network, Server, Power system, has been placed to ensure high- availability of data center;
- Fall back plan of technical persons are in place;
- Hot Categorized Disaster Recovery Site (DRS) has been established and is being properly maintained to ensure the data protection of Data Center (DC) environment as well as to ensure business continuity during any disaster situation;
- Data backup procedure is being maintained properly and one copy of daily data backup is being kept in a secured locker at Data Center;
- Fire detection and auto suppression system in Server Room are in place;
- Access Control (i.e., User ID/Password/ Token) procedure are strictly controlled centrally;
- Anti-virus software is installed in each server and computer;
- Effective risk management & Control system is in place.

STATUS 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 II and circulated new regulatory capital and liquidity guidelines in line with Basel III of BCBS. These new global regulatory and supervisory standards mainly focused on the following areas:

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

The Banking Regulation & Policy Department (BRPD) of Bangladesh Bank, vide 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, Bangladesh Bank circulated its "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III)", which 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) and Net Stable Funding Ratio (NSFR), which came into force with effect from January 01, 2015.

Standard Bank Limited formed a Basel Unit with a Committee as well as a competent working team for robust operation of Basel-III framework also known as Basel Accords. The Basel Accords implementation Committee is constituted of a working team with the Managing Director & CEO in the chair.

As per Bangladesh Bank guidelines, the year-end Minimum Capital Requirement as well as Capital Adequacy position is given below:

SOLO BASIS (ONLY BANK)

(Taka in Crore)

SI	As on	Capital Maintained	Maintained CRAR (%)	Required CRAR	Required (CRAR + CCB)
01.	31.12.2017	2,034.58	14.18%	10.00%	11.25%
02.	31.12.2018	1,697.57	10.10%	10.00%	11.88%

CONSOLIDATED BASIS (WITH SUBSIDIARIES)

(Taka in Crore)

SI	As on	Capital Maintained	Maintained CRAR (%)	Required CRAR	Required (CRAR + CCB)
01.	31.12.2017	2,040.35	13.96%	10.00%	11.25%
02.	31.12.2018	1,692.70	9.97%	10.00%	11.88%

LIQUIDITY RATIOS:

The year-end Liquidity Ratio requirements for Basel III are as follows:

Particular	Maintained Ratio	Required Ratio
Liquidity Coverage Ratio (LCR)	103.43%	≥100.00%
Net stable Funding Ratio (NSFR)	106.81%	>100.00%
Stock of High quality liquid assets	2,611.18	
Total net cash outflows over the next 30 calendar days	3,001.35	
Available amount of stable funding	13,426.06	
Required amount of stable funding	12,898.67	

LEVERAGE RATIO:

The year-end Leverage Ratio for Basel III is as follows:

Particular	Solo	Consolidated	Required Ratio
Leverage Ratio	4.71%	4.66%	3.00%
On balance sheet exposure	19,349.34	19,487.70	
Off balance sheet exposure	2,738.96	2,738.96	
Total exposure	21,639.32	21,774.27	

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) enjoins that banks should 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:

As per Bangladesh Bank guidelines, SRP of the Bank is being implemented under the following structure of three layers:

- Strategic Layer:** The Risk Management Committee is responsible on behalf of the Board of Directors for implementation of SRP in banks. The agenda of each meeting of the committee includes the SRP implementation in bank.
- Managerial Layer:** The Bank has an exclusive body namely SRP team constituted by the concerned departmental heads of the bank and headed by Managing Director. The formation and modification of SRP team and its terms of reference (ToR) are approved by the Board of Directors and notified to Bangladesh Bank. The SRP meets at least bimonthly to monitor the implementation of SRP.
- Operational Layer:** The bank has an operational unit in this respect, which is 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:

The Bank has a board approved manual namely Manual of Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP manual includes:

- i) 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 IN SRP:

All material risks faced by the bank are addressed in the adequate capital assessment process except credit risk, market risk and operation risk. Therefore, SRP considers all risks of the banks, not considered under pillar 1 of Basel III namely,:

1. Residual risk: Error in documentation and error in valuation of collateral security.
2. Concentration Risk: Credit concentration in groups, sectors or regions.
3. Interest Rate Risk in the Banking Book: Probable loss due to poor asset liability management and volatile movement of marketable instruments like bills, bond, debentures.
4. Liquidity Risk: Inability to fulfill the commitments on time as payment falls due. The indicators tracked for identification of the risks include CRR, SLR, Medium Term Funding Ratio (MTFR), Maximum Cumulative Ratio, Advance Deposit Ratio (ADR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
5. Reputation Risk: Internal & External Fraud, Non-payment of ABP, Credit Rating and Bad customer service.
6. Strategic Risk: CAMELS rating falling below 2, operating expenses exceeding 45% of operating income, classified loans exceeding 5% of total loan, recovery rate falling below 20%, write-off loan recovery falling below 15%, interest waiver exceeding 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 are considered).
7. Settlement Risk: The risks posed to the banks 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) are evaluated to assess settlement risk.
8. Appraisal of Core Risk Management Practice. BB identified 6 (six) risk areas which are termed as core risks through issuing an industry best practice framework. The Bank developed its own methodology for assessing each core risk separately. No capital charge is imposed for risk rating Strong and Satisfactory. Additional capital charge is imposed for Fair, Marginal and unsatisfactory.
9. Environmental and Climate change Risk. To evaluate this risk, Sector Environmental Due Diligence (EDD)

Check List is specified in Guidelines on Environmental Risk Management (ERM) issued vide BRPD Circular No. 01/2011 dated 30/01/2011. For the loans under the sectors specified in the guidelines and which have EnvRR21 of 'High (H)' are 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 are considered to be material. Other risks (such as Accounting Risk, Human Resources Risk, Natural Disaster Risk) are usually difficult or impossible to quantify and 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 namely SRP team headed by Managing Director is in place with the following terms of reference:

Terms of reference (ToR) of the Team:

1. To conduct dialogue with Bangladesh Bank for determining the adequate level of capital requirement for the Bank;
2. To meet at least bimonthly to monitor the implementation status of SRP in the Bank;
3. To formulate policies and procedures in order to address all existing/probable material risk of the bank (through risk avoidance, reduction, transfer and retention);
4. 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;
6. To prepare and review the capital planning of the Bank.

Stress Testing:

Stress tests are used in proactively managing the bank's risk profile, capital planning & management, strategic business planning and setting of capital buffers. Stress testing is an integral component of the bank'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.

The Bank 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 NPL categories & increase of NPLs in particular 2 sectors were 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. This process finally produces a numerical estimate of the change in the value of risk exposed positions. To interpret the result, the Bank used a series of consideration to evaluate bank's overall positions; deterioration in quality of asset resulting in stress losses that affect bank's profitability and finally bank's capital adequacy.

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III) BASED ON 31.12.2018

(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 belong to Standard Bank Ltd.
	(c)	No incidence occurred which may cause for imposing any regulatory restriction or impediment for transferring fund within the Standard Bank group.
Quantitative Disclosure	(d)	No Capital deficiency in solo or consolidated assessment.

(B) CAPITAL STRUCTURE

Qualitative Disclosure	(a)	<p>The regulatory capital of bank has been classified into two tiers which is consisted of sum of the following categories:</p> <ol style="list-style-type: none"> 1. Tier 1 Capital (going-concern capital) <ol style="list-style-type: none"> a. Common Equity Tier 1 b. Additional Tier 1 2. Tier 2 Capital (gone-concern capital) <ol style="list-style-type: none"> a. Common Equity Tier 1 Capital <p>Common Equity Tier 1 (CET1) capital consist of sum of the following items:</p> <ol style="list-style-type: none"> 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 <p>Less: Regulatory adjustments applicable on CET1 capital: Shortfall in provisions against NPLs and Investments Goodwill and all other Intangible Assets Deferred tax assets (DTA) Defined benefit pension fund assets Gain on sale related to securitization transactions Investment in own CET-1 instruments/shares Reciprocal crossholdings in the CET-1 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) Investment in Subsidiaries which are not consolidated (50% of investment) Other if any</p>
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b. Additional Tier 1 Capital (AT-1)

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

Non-cumulative irredeemable preference shares

Instruments issued by the banks that meet the qualifying criteria for AT1 as specified in the guideline.

Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only)

Others

Less: Regulatory adjustments applicable on AT1 Capital:

Investment in own AT-1 instruments/shares

Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities

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:

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 standardized approach)

All other preference shares

Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital as specified in the guideline.

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)

Others

Less: Regulatory adjustments applicable on Tier-2 capital:

Revaluation Reserves for Fixed Assets, Securities and Equity Securities (follow phase-in deductions as per Basel-III).

Investment in own T-2 instruments/shares

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).

Investment in Subsidiaries which are not consolidated (50% of investment)

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:

Common Equity Tier 1 of at least 4.5% of the total RWA.

Tier-1 capital will be at least 6.0% of the total RWA.

Minimum CRAR of 10% of the total RWA.

Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher.

Tier-2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher.

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:

Tier 1 Capital (going-concern capital)			
	Common Equity Tier 1 Capital (CET1)	SOLO	Consolidated
1.1	Fully Paid-up Capital	870.99	870.99
1.2	Non-repayable Share premium account	0.00	0.00
1.3	Statutory Reserve	501.69	501.69
1.4	General Reserve	0.00	0.00
1.5	Retained Earnings	94.90	93.43
1.6	Dividend Equalization Reserve	0.00	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)	1,467.58	1,466.11
Less: Regulatory adjustments applicable on CET1			
1.11	Shortfall in provisions required against Non Performing Loans (NPLs)	444.69	444.69
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	4.30	4.46
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	Investment in own CET-1 instruments/shares	0.00	0.00
1.19	Reciprocal crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.00	3.24
1.20	Any investment exceeding the approved limit under section 26 ka(1) of Bank company Act-1991 (50% of investment)	0.00	0.00
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)	448.99	452.39
1.24	Total Common Equity Tier-1 (1.10 -1.23)	1,018.59	1,013.72
Additional Tier 1 Capital			
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	Total Additional Tier 1 Capital (2.5 – 2.8)	0.00	0.00
2.10	Total Eligible Tier-1 Capital (1.24 + 2.9)	1,018.59	1,013.72

Tier 2 Capital (gone-concern capital)

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)	158.72	158.72
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 the guideline.	520.00	520.00
3.4	Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified in the guideline.	0.00	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)	680.03	680.03
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).	1.05	1.05
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 (3.9 to 3.14)	1.05	1.05
3.16	Total Eligible Tier-2 Capital (3.7 – 3.15)	678.98	678.98
	Total Eligible Capital (Tier-1+Tier-2)(2.10+3.16)	1,697.57	1,692.70

(C) CAPITAL ADEQUACY

- (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.

Qualitative Disclosure

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

The strategic planning process critically analyze 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
Quantitative Disclosure	(b) Capital Requirement for Credit Risk	1,607.59	1,587.56
	(c) Capital Requirement for Market Risk	22.58	56.69
	(d) Capital Requirement for Operational Risk	51.13	54.00
	(e) Total Capital, CET-1 Capital, Total Tier-1 Capital and Tier-2 Capital Ratio:		
	For the consolidated group:		
	Total CRAR	9.97%	
	CET-1 Capital Ratio	5.97%	
	Total Tier-1 Capital Ratio	5.97%	
	Tier-2 Capital Ratio	4.00%	
	For stand alone:		
Total CRAR	10.10%		
CET-1 Capital Ratio	6.06%		
Total Tier-1 Capital Ratio	6.06%		
Tier-2 Capital Ratio	4.04%		
(f) Capital Conservation Buffer-			
• For the consolidated group: BDT 318.42 crore (1.875% of Total RWA)			
• For stand alone: BDT 315.24 crore (1.875% of Total RWA)			
(g) Available Capital under Pillar-2 requirement--- BDT 2,040.35 Crore as on 31.12.2017. Based on 31.12.2018 it is not calculated yet, it will be calculated within 31.05.2019.			

(D) CREDIT RISK
Qualitative 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.

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.

(a) **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 BDT 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 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.

		BDT in Crore
	Total gross credit risk exposures broken down by major types of credit exposure:	
	Secured overdraft/Quard against TDR	2,108.75
	Term Loan	3,923.58
	Export Development Fund (EDF)	446.36
	Agriculture Loan	586.56
	Cash credit/ Murabaha	1,568.00
	House Building loans	293.40
	Transport Loans	118.27
	Loans against trust receipt	739.14
b	Payment against document	87.52
	Packing credit	57.03
	Demand Loan	940.80
	Lease Finance / Izara	124.21
	Syndicate/Club Finance	266.55
	VISA Credit Card	58.50
	SME/SE	2,503.88
	Green Finance	1.42
	Consumer Credit Scheme/Hire purchase	69.22
	Bills Purchased and Discounted (Local and Foreign)	479.86
	Total	14,473.05
c	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:	BDT in Crore
	Urban:	
	Dhaka Division	9,405.07
	Chittagong Division	2,418.41
	Khulna Division	704.30
	Barishal Division	39.22
	Rajshahi Division	510.86
	Rangpur Division	497.63
	Sylhet Division	41.50
	Mymensing Division	24.25
	Total	13,641.23
	Rural:	
	Dhaka Division	491.42
	Chittagong Division	85.71
	Khulna Division	14.84
	Barishal Division	-
	Rajshahi Division	44.98
	Rangpur Division	57.97
	Sylhet Division	13.27
	Mymensing Division	23.63
	Total	731.81
	Grand Total (urban + rural)	14,373.05
d	Industry or counterparty types distribution of exposures broken down by major types of credit exposure:	BDT in Crore
	Commercial lending	
	Export financing	3,154.12
	House building loan	212.17
	Consumers Credit Scheme	252.05
	Small and medium enterprises	27.29
	Special program loan	2,503.88
	Other Loans and advances/Investments	12.53
	Total	645.69
	Industrial loans:	6,807.73
	Agricultural Industries	
	Textile Industries	410.66
	Food and allied Industries	1,188.07
	Pharmaceuticals Industries	1,180.88
	Leather, Chemical and Cosmetics etc	43.93
	Cement and Ceramic Industries	45.38
	Service Industries	195.97
	Transport and Communication Industries	

e	Residual contractual maturity breakdown of the whole portfolio broken down by all types of credit exposure including bill purchased & discounted:	BDT in Crore
	Payable On demand	-----
	Up to one month	1,639.06
	Over one month but not more than three months	1,825.03
	Over three months but less than one year	5,125.73
	Over one year but less than five years	
f	By major industry or counterparty type : Amount of impaired loans and if available, past due loans, provided separately	BDT in Crore
	Corporate	6,366.02
	SME	2,879.86
	Consumer Financing	214.81
	Others (Agri, SOD Individual)	4,912.36
	Specific and general provisions; and	55.01
	Charges for specific allowances and charge-offs during the period	
g	Gross Non performing Assets (NPAs)	1,135.96
	Non performing Assets (NPAs) to Outstanding Loans & advances	7.90%
	Movement of Non Performing Assets (NPAs)	1045.14
	Opening balance	327.49
	Additions	236.67
	Reductions	1135.96
	Closing balance	
	Movement of specific provisions for NPAs	
	Opening balance	375.97
	Provisions made during the period	(48.83)
	Write-off	(100.04)
	Write-back of excess provisions	-
	Closing balance	227.10

(E) EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosure		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.
	(a)	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 value at cost 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		
			Cost Price	Market Price
		Quoted shares	15.71	11.41
		Unquoted shares	261.23	261.23
	(c)	The cumulative realized gain (losses) arising from sales and liquidations in the reporting period.		
		Realized gain (losses) from equity investments		
		Total unrealized gains (losses) –		0.00
	(d)	Total latent revaluation gains (losses) -		0.00
		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:	Minor	Moderate	Major
		Magnitude of Shock	1.00%	2.00%	3.00%
		Net Interest Income impact <12 Months	-6.54	-13.09	-19.63
		Capital after shock			
		CRAR aftershock (%)	2113.97	2107.42	2100.88
		Change in CAR after shock (%)	12.96	12.92	12.88
		Re-pricing Impact			
		Change in the value of the bond portfolio		-113.77	-227.54
		-341.31			
		Capital after shock			
CRAR aftershock (%)	2000.2	1879.88	1759.57		
Change in CAR after shock (%)	12.27	11.53	10.79		
Overall change in CAR (NII & re-pricing impact, %)	-0.70	-1.4	-2.09		

(G) MARKET RISK

Qualitative Disclosure	(a)	Views of BOD on trading/investment activities:		
		<p>Market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, For-ex rates, and equity and commodity prices.</p> <p>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.</p> <p>The Board will have to approve all policies related to market risk, sets limits and reviews compliance on a regular basis.</p> <p>Method used to measure Market Risk:</p> <p>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.</p> <p>Market Risk Management System:</p> <p>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.</p>		
		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 For-ex 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, For-ex position and transactions to mitigate foreign exchange risks.		
Quantitative Disclosure	(b)	The capital requirement for:	Solo	Consolidated
		Interest rate risk	8.27	8.27
		Equity position risk	2.28	36.39
		Foreign exchange risk	12.02	12.02
		Commodity risk	0.00	0.00

(H) OPERATIONAL RISK

<p>Qualitative Disclosure</p>	<p>Views of BOD on system to reduce Operational Risk:</p> <p>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.</p> <p>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.</p> <p>(a) 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.</p> <p>Performance gap of executives and staffs:</p> <p>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.</p> <p>Potential external events:</p> <p>No potential external events are expected to expose the Bank to significant operational risk.</p>
	<p>Policies and Processes for mitigating operational risk:</p> <p>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.</p> <p>Approach for calculating capital charge for operational risk:</p> <p>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.</p>
<p>Quantitative Disclosure</p>	<p>(b) The Capital Requirement for Operational Risk (Solo) 51.13 The Capital Requirement for Operational Risk (Consolidated) 54.00</p>

(I) LIQUIDITY RISK

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:

Qualitative Disclosure

- (a)
 - 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

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.

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.

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.

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.

Market-related monitoring tools:

High frequency market data with little or no time lag can be used as early warning indicators in monitoring 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:

Composition of Assets and Liabilities

Diversification and Stability of Liabilities.

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 includes 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.

Quantitative Disclosures	(b) Liquidity coverage ratio (LCR)	101.17%
	Net stable Funding Ratio (NSFR)	110.07%
	Stock of High quality liquid assets	BDT 3,056.81
	Total net cash outflows over the next 30 calendar days	BDT 3,021.45
	Available amount of stable funding	BDT 15,744.18
	Required amount of stable funding	BDT 14,303.66

(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 smoothens 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.

$$\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$$

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

(b)

		Solo	Consolidated
	Leverage ratio	4.71%	4.66%
	On balance sheet exposure	19,349.34	19,487.70
	Off balance sheet exposure	2,738.96	2,738.96
	Total exposure	21,639.32	21,774.27

(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

<p>(a) Information relating to the bodies that oversee remuneration</p>	<p>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 policies 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.</p> <p>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.</p> <p>In addition, the Management of SBL also carries out the following roles and responsibilities:</p> <p>Review of the Compensation Policy annually or as demanded by market.</p> <p>Exercise such other powers and play the roles delegated to it by the Board.</p> <p>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.</p>
<p>(b) Information relating to the remuneration of the processes</p>	<p>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.</p> <p>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:</p> <ol style="list-style-type: none"> 3. Minimum Qualification level set during the recruitment 4. level of Experience 5. Level of Risk involved 6. Complexities of the job 7. degree of creativity or productivity expected in the job 8. Business developing excellence and expertise 9. Leadership capability 10. Corporate exposure <p>However the remuneration structure/package for the Managing Director (MD) of the Bank is subject to approval of Bangladesh Bank.</p>

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes	<p>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.</p> <p>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.</p>
(d) Description of the ways in which the banks seeks to link performances during a performance measurement period with levels of remuneration	<p>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).</p> <p>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.</p>
(e) Description of the ways in which the banks seeks to adjust remuneration to take account of longer-term performance	<p>The Bank follows various schemes in regards to deferred and vested variable remuneration as follows:</p> <ul style="list-style-type: none"> - 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).
(f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these forms	<p>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:</p> <ul style="list-style-type: none"> 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 Disclosures

(g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member	Number of meetings held by the main body overseeing remuneration during the financial year: ----- Remuneration paid to member: Nil
(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: 2,386 Number and total amount of guaranteed bonuses award during the financial year: 02, BDT 12.07 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: BDT 183.12 crore Total amount of deferred remuneration paid out in the financial year: BDT 8.11 crore
(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: Amount in BDT -fixed remuneration : 149.57 crore variable remuneration: 3.70 crore -deferred remuneration: 183.12 crore and non-deferred remuneration: 153.27 crore -different forms used (cash, shares and share-linked instruments, other forms): All the remunerations are provided in the form of cash.
(k)	Quantitative information about employees' exposure to implicit (e.g. fluctuation in the value of shares or performance units) and explicit adjustments (e.g. 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

CAPITAL PLANNING AND MANAGEMENT

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:

1. identify risks, improve their understanding of the bank's overall risks, set risk tolerance levels, and assess strategic choices in longer-term planning,
2. identify vulnerabilities such as concentrations and assess their impact on capital,
3. 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;

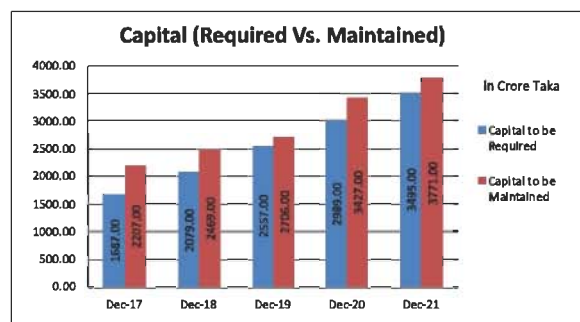
- allocate capital to businesses to support the bank's strategic objectives, including optimizing returns on economic and regulatory capital; and
- ensure to maintain buffer capital as excess of minimum requirements to meet ICAAP need.

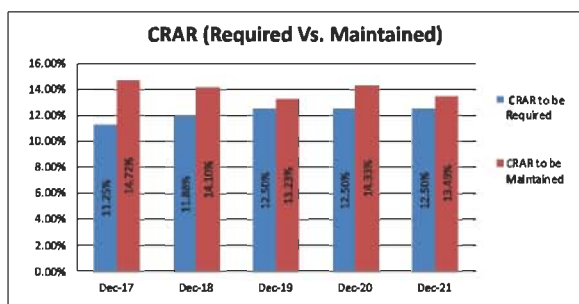
The capital planning process has been included the following components:

- 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
- iv. Ensuring integrity in the internal capital planning process and capital adequacy assessments.

A) CAPITAL PLANNING:

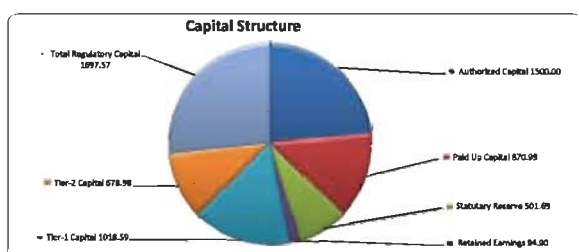
SBL has been forecasting capital for 5 (five) years from 2017 to 2021 for meeting ICAAP (Internal Capital Adequacy Assessment Process) requirement under SRP (Supervisory Review Process) of Basel-III guideline. Bank has already enhanced its Authorized Capital from Tk. 880.00 crore to Tk. 1500.00 crore. To use of capital efficiently Bank tries to reduce Risk Weighted Asset (RWA) by its best effort. Moreover Bank issued subordinated debt of Tk. 200.00 crore on December-2015 and Tk. 400.00 crore on September 2017 for enhancing Tier-II capital to meet regulatory requirement. In 5 (Five) years capital planning Bank has been predicted to be required and maintained of capital which are shown in the below 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. 870.99 crore & the Statutory Reserve stood at Tk. 501.69 crore as on 31.12.2018. Total Regulatory Capital of the Bank stood at Tk. 1697.57 crore & 1692.73 crore on solo and consolidated basis respectively at the end of 2018.



C) CAPITAL ADEQUACY POSITION:

In terms of Bangladesh Banks' revised Basel-III Guidelines, the Minimum Capital Requirement (MCR) from January-2018 to December-2018 stood 10.00% of Risk weighted asset (RWA), but January-2018 the MCR with capital conservation buffer is 11.875% 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 on solo & consolidated basis stood at Tk. 1018.59 crore & 1013.75 crore respectively. Besides Tier-II, another part of the Capital Structure stood at Tk. 678.98 crore at the end of 2018 which includes General Provision on unclassified loans & advances & off balance sheet exposure and subordinated bond.

Capital Adequacy Ratio is measured by the total regulatory Capital to total Risk weighted asset. Capital to Risk Weighted Asset Ratio (CRAR) stood at 10.10% for solo basis & 9.97% for consolidated basis at the end of 2018.

STATEMENT OF NON-PERFORMING LOAN

Banking sector has undergone turmoil over the years due to various reasons: excess liquidity, very high NPL in Banks, slower demand for credit from private sector as well as shrink of profitability due to the stiff competition with the peer group make the overall environment difficult for business. Moreover, credit performance of few large commodity traders and importer continues to put pressure on NPL as well as profitability of banking sectors. Establishing or maintain good governance, managing NPL including collecting bad loans and increasing profitability were major challenges for 2018 since recovery from rescheduled loans was not encouraging.

From the micro prudential perspective, it is in the Standard Banks' interest to reduce the amount and number of NPLs, as it protects solvency and liquidity, which is ultimately, aimed at protecting our clients' interests. At the same time, resolving the issue of NPLs has a macro-prudential dimension as well, considering that the high rate of NPL's can pose a systemic risk. Systemic risk can occur if the aggregate lending activity is lower than it would be if the NPL ratio was not that high. The evidence shows that the level of NPLs is the indication of problems faced by a country's economy and its real sector. Which is not capable to repay its debt, but it can also be a sign of a poor economy scenario.

Non-Performing Loan (NPL) is a debt obligation where the borrower has not paid previous agreed upon interest and principal repayments to the designated lender for an extended period of time. The non-performing Loans are therefore not yielding any income to the lender in the form of principal and interest payment. Therefore, managing Non-Performing Loan (NPL) to keep it at the lowest possible level is at the core of our business priorities. We have embedded the essence of asset quality in our business values, therefore, instituted the best local as well as international industry practices throughout our business processes.

Standard Bank has a recovery Division dedicated for management, settlement and recovery of problem credits. Major responsibility of this Division is to formulate strategy and action plans for minimize of risk, prevention of credit losses, and maximization of recoveries and /or pursuing legal actions.

The recovery process of Standard Bank Limited is defined as the set of coordinated, appropriate and timely activities aimed at full recovery of loans from clients. The process is intended to convert the receivables into liquid assets as quickly and efficiently as possible, while at the same time maintaining the good relation with the client for the sake

of future business. As such, the recovery process require significant interaction with the client, beginning with a careful analysis of the client situation and continuing through timely and frequent contact over the duration of the loan. Clients should be offered payment alternatives that are timely and appropriate to each situation and all recovery activities should be recorded to facilitate continuous monitoring and follow-up as well as control of client compliance with negotiated agreements.

KEY PRIORITIES

In order to achieve the general goal, Standard Bank has identified several key areas and decided to make improvements in regulatory framework, capacity building and implementation of laws;

- Structural development of the Division all through the year;
- Enhancing Bank's capacity & strategy to deal with NPLs;
- Enabling business process & structure to facilitate NPL Management;
- Improving and promoting out-of-court debt settlement;
- Improving in-court debt resolution

ENHANCED BANKS' CAPACITY TO DEAL UP NPLS

Furthermore, banks are required to establish efficient monitoring of lending, including the system of early warning for increased credit risk, which enables timely identification of debtors with whom this increase occurred and which includes the definition of qualitative and quantitative indicators for early observation of increased credit risk. NPL management is one of the topmost priorities of Standard Bank. At Standard Bank, monitoring starts from the very beginning of the business process. The steps of NPL management work flow are as follows:

- Standard Bank has promulgated self-credit policies in line with best practices which are guiding business relationship terms to involve their best business efforts towards quality business through systematic management of any potential risk for being highly judicious in selecting borrowers.
- Relationship Managers are preparing loan proposal without any interference of any third party, top management of the Bank or the client.

Our Management Credit Committee of Head Office which consists of top officials from different Division independently reviews the credit proposal, approves, recommends for onward approval where the potential risk are being screened of ensuring adequate protection against any hidden NPL.

- Even after approval of credit facilities, the post approval activities like credit facilities documentations and execution are carried out by separate Division namely Credit Administration Division (CAD) are vetting of credit facility which are independent in reporting line from business units to avoid conflict of interests.
- Post disbursement activities like monitoring, supervision, early alerts, rescheduling of Non Performing Loan etc. are performed by credit Risk Management Division. Recovery activities are initiated by Recovery Division which continuously thrives for protection against NPLs. Overdue status, reminder through SMS, email, letter, telecommunications, meeting, discussions, visits etc. with clients are consistently carried out by the division which facilities managing NPL at lowest possible level.
- For Managing NPL case arising out even after all the above mentioned efforts, dedicated teams are in place to directly monitor, put into action and intensify recovery and collection drives through internal recovery and collection drives through internal recovery officers and third party recovery agents where necessary, Litigation Unit of legal Division is well organized with the assistance of internal law officers and assistance may be sought from leading law firms of the country to ensure all out legal actions for collection of Bank's dues.
- Risk Management Division, Credit Risk Management division and Internal Control & compliance Division are consistently reviewing and monitoring the implementation and execution of policies, procedures, Systems; blowing whistles where necessary; updating with approval of competent authority with various stake holding Divisions.
- Top Management of the Bank is very vigilant to monitor and review all the relevant aspects, provides necessary directions and guidance time to time; to ensure asset quality and keep the NPL ratio low.
- On top of all, there are several Recovery Task forces headed the divisional head has been formulated which periodically monitors and reviews the NPL movements and performance of the NPL recovery; Provides necessary directions and guidance, there by ensure highest quality asset portfolio and maximize business and profitability growth.

Under the present overall socio economic dynamics, Standard Bank has prioritized to extend purpose-oriented credit facilities with required security/collateral support

as the policy priority since diversion of fund is one of the identified causes of loan default. So, it becomes of imperative need to keep close watch on the borrower's business operations and the movement of its financial indicators in an empirical manner.

Standard bank has formulated well-structured recovery strategy in its credit policy covering following areas:

- Strengthening of the operational recovery process throughout the bank
- Reinforcement of cash recovery system
- Strengthening of credit administration
- Initiative to adopt electronic due date register & account servicing system
- Review of project completion report(s)
- Review of documentation completion report(s)
- Weekly action plan of monitoring
- Overall NPL management strengthening
- Introduction of Incentive scheme for recovery of doubtful and bad loans
- Deputation of bank officials in the borrower company Board of Directors
- Management change of defaulted companies
- Sale of goods, assets and other collaterals
- Invocation of personal guarantees
- Outside the court settlement of litigated loans

Standard Bank believes that its intense recovery strategies and innovative approaches will lead to a transition in aspired higher growth trajectory.

The background features a complex network of grey lines connecting various nodes. Several large, semi-transparent circles in white, orange, teal, and red are scattered across the network. A large red circle on the right side contains the main title. Other smaller circles contain icons: a globe, a house, a person, and a gear. The overall aesthetic is modern and technical.

MANAGEMENT RETROSPECTION

Drill
Down

MANAGEMENT DISCUSSION & ANALYSIS

I take this opportunity to express my sincere gratitude to all Honorable Shareholders, Valued Clients, distinguished 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 2018.

CUSTOMER 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, nine (09) 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 one hundred three (103) 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 9,500 ATMs & more than 28,000 Merchant POS outlets all around the country.

In order to cater the need of customers, SBL Introduced technology savvy services like Branch POS, Internet Banking, SMS Banking, SBL EXPRESS Booth which is incorporated with ATM & CDM 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 one hundred fourteen (123) units of Branch POS and will incorporate all branches of SBL by the year 2017. 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 2018. During the year 2018, a sum total of Taka 1,490.18 million was disbursed under ETP, Solar Plant/Energy Renewable Plant, HKK and other Green Industry.

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 2018, our 2,386 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 10.10% as on 31 December 2018. To meet up the compliance of BASEL-III deadline, with consent of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, Standard Bank Limited has already applied to the regulatory authorities for issuance of “3rd Standard Bank Coupon Bearing Non Convertible Subordinated Debt” for BDT 500.00 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 114.80 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 179.80 million in 2017 to reaffirm the commitments of the Bank towards society.

Due emphasis was given on SME and Agricultural Financing that stood at Taka 29,145.40 million in 2018 as compared to Taka 26,796.80 million in 2017 which is a growth of 8.76%.

The country experienced slower investment demand in 2018 resulting in substantial amount of surplus liquidity in the banking industry. Despite such scenario, the year 2018 SBL maintained and achieved a stable position in all key areas of its operations overcoming manifold challenges. Out of 134 Branches, Operating Performance of 2018 of some Branches may be mentioned as under:

(i) 17 Branches achieved 100% Deposit Target, (ii) 5 Branches achieved 100% Investment Target, and (iii) 18 Branches achieved 100% Profit Target as set out for the year 2018. 25 Branches which incurred loss during the year are expected to be brought under profit club by June 2019. Capital of the Bank stood at Tk. 14,816 million compared to Tk. 13,410 million in 2018. Total Deposit and total Asset of the Bank stood at Tk. 154,961 million and Tk. 197,148 million respectively in 2018 compared to Tk. 1,34,731 million and Tk. 1,75,699 million in 2017. The Bank achieved 14% growth in investment with a total investment portfolio of Tk. 1,46,061 million in 2018 compared to Tk. 1,28,228 million in 2017. Import business of the Bank stood at Tk. 74,464 million in 2018 with 12% growth over the previous year Tk. 66,510 million, while Export business of the Bank stood at Tk. 51,884 million in 2018 which is increased by 18% than that of previous year i.e. Tk. 43,807 million. Total Foreign Remittance was Tk. 9,579 million in 2018 with 27% growth over the previous year Tk. 7,563 million. Total Foreign Exchange business of the Bank was Tk. 1,35,927 million in 2018 which is increased 15% than that of the previous year Tk. 117,881 million. The classified loans and advance of the Bank increased to 8.58% from 7.30% in 2018 and finally registered an operating profit of Tk. 3,391 million in the year 2018 which was increased by 2% compared to Tk. 3,325 million in 2017. In the Year 2018, twelve (12) new Branches were opened and SBL became the Bank comprising of 134 Branches. Total manpower of the Bank is 2389. Operating Profit Ratio of 2018 was 19% compared

to 24% in 2017. In the year under review, country's money market was soft and domestic lending rates have fallen. Return on equity was 8.47% in 2018 against 13.91% in 2017. Current ratio for the year 2018 was 1.20 times which has been almost steady since long. The Bank was more levered in 2018 (Debt equity ratio 12.31 times) compared to 2017 (ratio 12.10 times). Cost of Deposit was 6.63% in 2018 compared to 5.71% in 2017. Return on Average Assets was 0.67% in 2018 against 1.27% in 2017. At the end of year 2018, EPS and PE Ratio was Taka 1.44 and 7.56 times respectively compared to Taka 1.42 and 10.97 times in 2017.

FINANCIAL INCLUSIONS

Financial infusion 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. All of our branches are now ready to provide SME services 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. Standard Bank has also initiated for 'Agent Banking' operation to provide financial service for nonbank people.

OUTLOOK 2019

From the beginning of the year 2019, due to the unrest 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 Rowing. To make the year 2019 another success, SBL is ready to accept the challenges of 2019 with new visionary zeal to achieve the common objectives of the Bank and, hence, the year 2019 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 2019, which is realistic and challenging. 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 enhance non-funded business.
- To undertake special recovery drive.
- To conduct special program file'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.

- Basel-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 2019. 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 2018 dearly 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 2019 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 on 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 eighteen.

May the Almighty ALLAH bestow His choicest blessings on all of us.



Mamun Ur Rashid
Managing Directors CEO

REPORT ON HUMAN RESOURCE MANAGEMENT

HR MISSION STATEMENT

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

If we think an organization as a tree then, people working with it are the roots on which it is spreading its branches for future growth. Actually, Human Resource isn't a thing we do, it's the thing that runs an organization. It is the catalyst to give the organization a strong footing for unfaltering headway to success. Standard Bank Limited recognizes the necessity of HR and inculcates congenial culture as such to make them change agent to bring about a positive and rewarding environment in the bank.

HUMAN RESOURCE MANAGEMENT AS A STRATEGIC FUNCTION

Strategic human resource management is the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole. It manages human resources that support long-term business goals and outcomes with a strategic framework.

It aims at all HR processes and activities to build the competitive advantage for the organization. The organization has to identify the strategic HR areas that will be used as a basis for a competitive advantage. No organization can excel in all areas because it would be

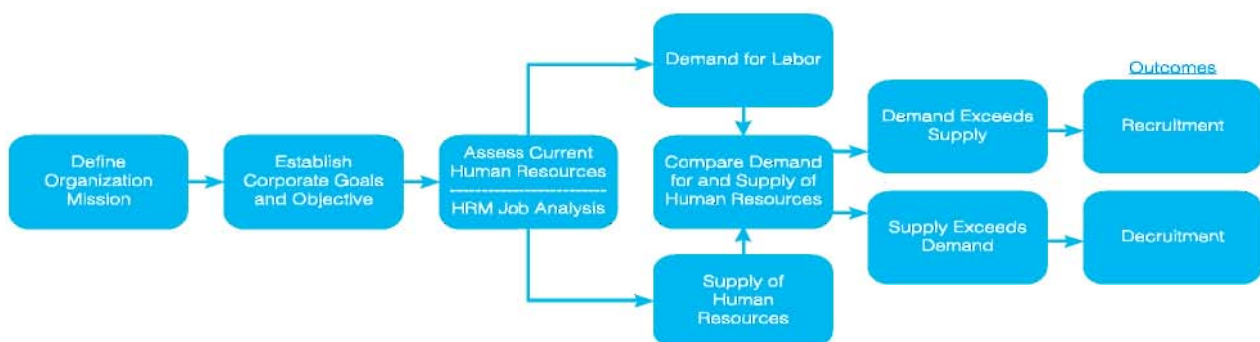
no cost effective. The organization has to choose the right mix of different HR processes, and it has to develop them as the best practice for competitors. The approach focuses on longer-term people issues, matching resources to future needs, and macro-concerns about structure, quality, culture, values and commitment.



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 organizational strategy; otherwise a healthy strategic fit cannot be achieved.

HR planning must link back to the organization's strategic plan. 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 organizations, especially in the case of emerging economics. Thirdly, in the case where there are parent and subsidiary organizations.

Linking Organizational Strategy to Human Resource Planning



REPORT ON HUMAN CAPITAL

TRANSFORMATION OF HUMAN CAPITAL

Human capital refers to the intangible aspect of human resources. It enhances the value of employees by striking a win-win goal for employers and employees. It focuses on the intrinsic value of each employee, where any expenditure on employees is regarded as an investment rather than an expense. The varying talents and motivations of employees are given cognizance so that incentives and working arrangements can be created to enhance each employee's contributions to organizational performance.

Human Capital - the last differentiator



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.

CAREER 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 vital critical 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. 2018 with 2386 employees. Every year SBL recruits number of efficient employees to achieve organizational goals. The growth rate of employment in 2018 was 14.93%.

SUCCESSION PLANNING:

Every organization has its own Succession Planning in place to coach, develop prospective successors or people within a firm or from outside to take up key positions in an organization through an organized process of assessment and training. SBL also has a well-defined & thorough succession plan for its employee for some form of job vacancy arising in future due to attrition or people retiring from their jobs. It serves as contingency planning and motivation factors for key employees to a great extent.



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 6.79% employees are in senior level, 20.41% are in mid-level, 49.29% are in junior level and rest of 23.51% are in ancillary level.

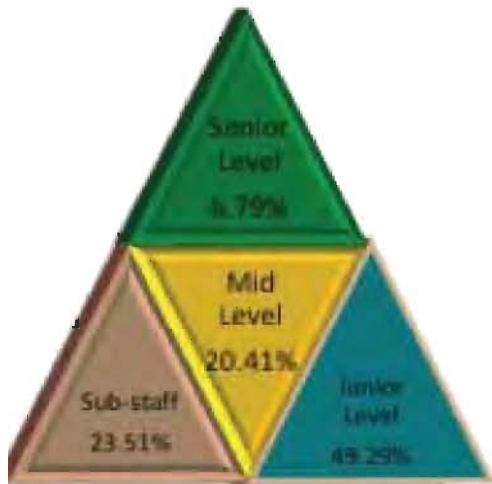


Figure: Employees at various levels of SBL

PEOPLE IN ORGANIZATIONS:

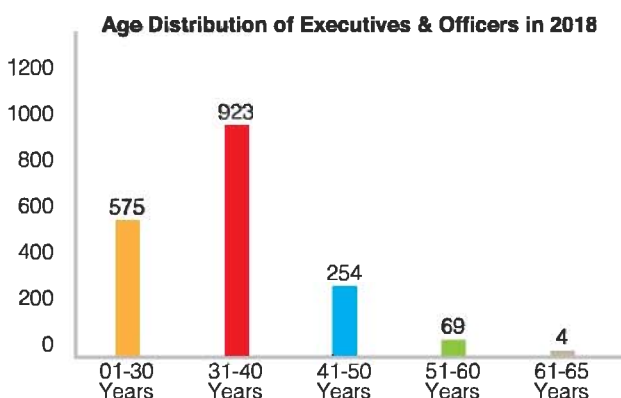
Organizations are created by the rules and resources drawn upon and enacted by people; and the nature of organizations is a result of people's actions. Thus an organization's behavior reflects people's psychological, ethnic, racial, cultural, political and social make-up. People are the most important 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	2018	2017	2016
Total Employee at the beginning	2076	1992	1604
Number of Newly Recruited Employee	452	184	445
Departures (Retirement/Resignation etc.)	142	100	57
Total Employee at the end	2386	2076	1992

AGE WISE EMPLOYEES

Status quo attitude is the main bottleneck in bringing new ideas, innovations. Organizations, that is why, are keen to hire new minds to bring about a change in thinking, methods or approaches along with its existing experienced employees. SBL is fortunate enough to have significant blend of young and experienced employees to run the Bank.



MOTIVATION AND COMMITMENT AT WORK

An organization always aspires to get motivated and committed workforce for continuous organizational growth and thus keeps trying to gear up their morale and energy in intrinsic and extrinsic means. SBL also believes the same and relentlessly tries by promoting, rewarding cash incentives & certificate of appreciation, arranging foreign trips or training for performing employees of the bank.

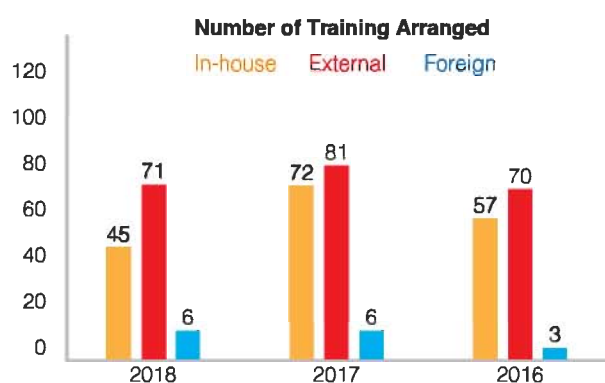
TRAINING AND DEVELOPMENT

All organizations today face rapid and often unexpected changes. Giving employees the skills, knowledge and attitudes to cope with such change is a primordial factor to survival and success, both personal and business.

Standard Bank Training Institute focuses on 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 employees 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

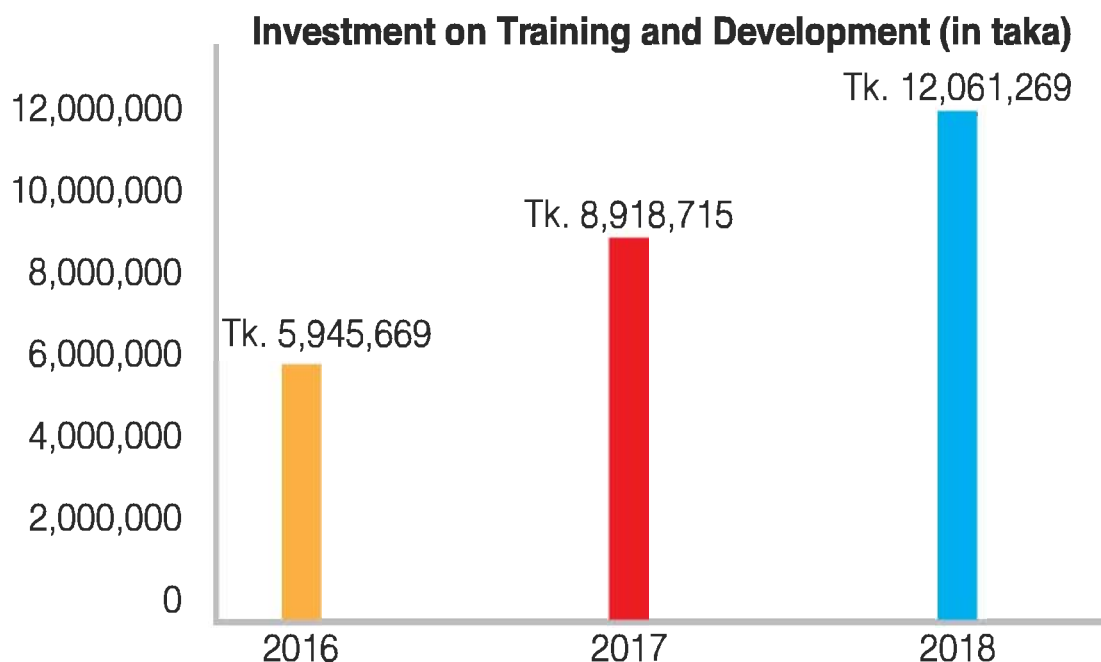
the year. The training scenario over the last 3 years is as follow:

Training Programs in 2018		
Name of Institution	Number of Training Programs	Number of Participants
Internal		
SBTI	43	1568
HRD	2	62
External		
BIBM	17	33
BBTA	20	62
BAB	7	25
FIN EXCEL	7	12
Others	20	49
Total (In Bangladesh)	116	1811
Foreign	6	9
Grand Total	122	1820



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:



REPORT ON HR ACCOUNTING

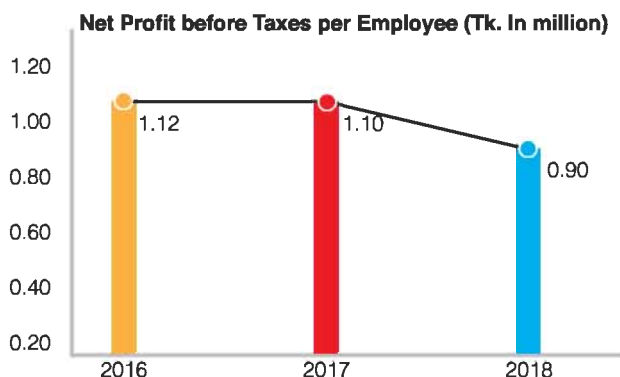
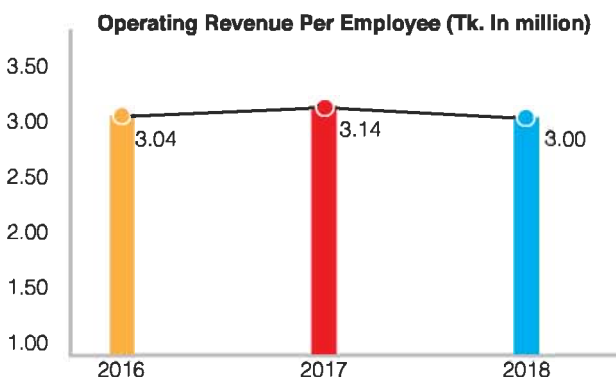
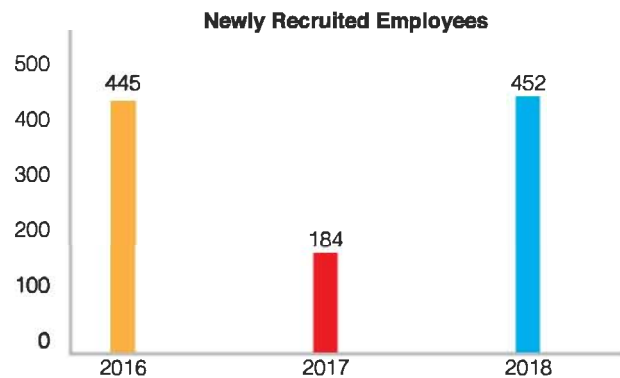
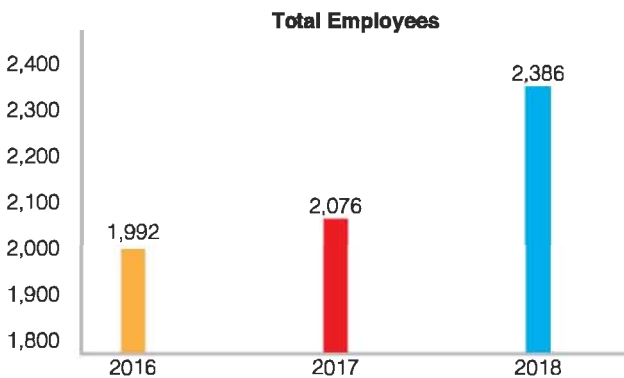
HUMAN RESOURCE ACCOUNTING:

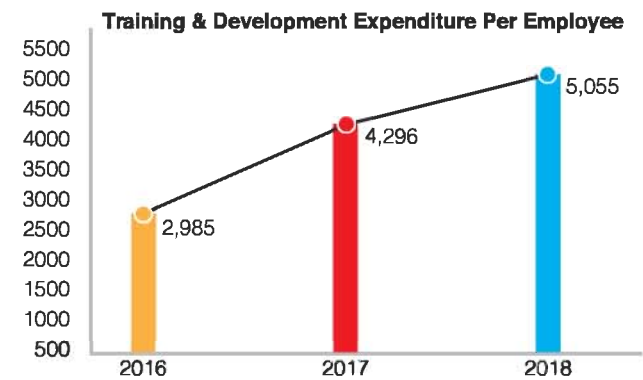
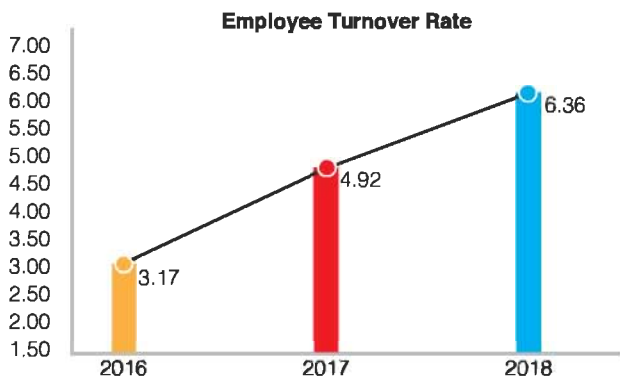
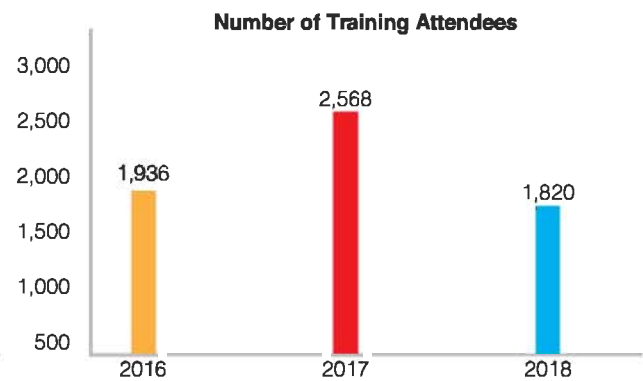
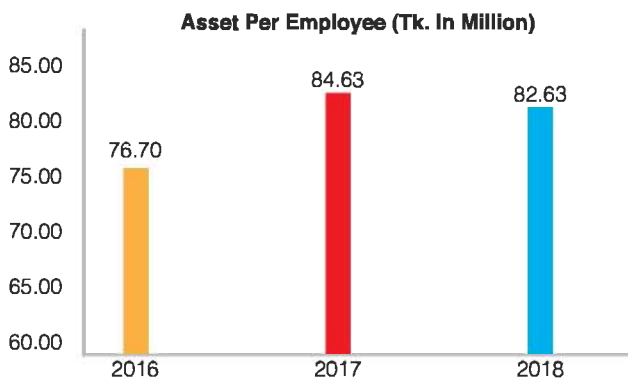
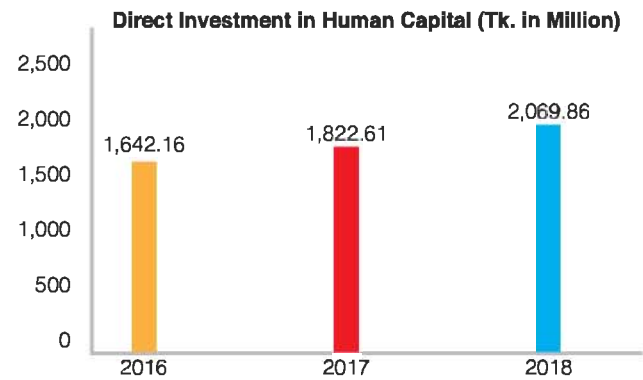
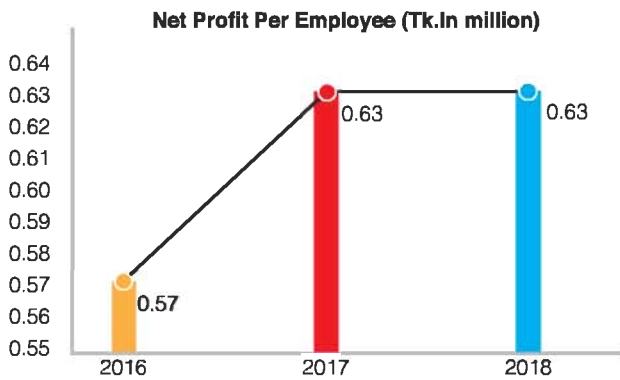
Human Resource Accounting involves measuring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. It also involves measuring the economic value of people to the organization. It is the measurement of the cost and value of people to organizations. Nowadays this 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 is as follows:

Particulars	2018	2017	2016
Total Employees	2386	2076	1992
Operating Revenue Per Employee (Million in Tk.)	3.00	3.14	3.04
Net Profit before Taxes per Employee (Million in Tk.)	0.90	1.10	1.12
Net Income Per Employee (Million in Tk.)	0.57	0.63	0.63
Asset Per Employee (Million in Tk.)	82.63	84.63	76.70
Direct Investment in Human Capital (Million in Tk.)	2,069.86	1822.61	1642.16
Training & Development Expenditure (Tk.)	12,061,269	8,918,715	5,945,669
Training & Development Expenditure Per Employee (Tk.)	5055	4296	2985
Employee Turnover Rate	6.36%	4.92%	3.17%

GRAPHICAL PRESENTATION OF SOME HUMAN CAPITAL ISSUES:





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 2018, SBTI conducted 43 training & development programs for 1568 executives/officers on Cash Management, Credit & Advances, Foreign trade, General Banking, leadership and managerial skills



Training program on "Leading To Team Building"

VERTICAL ANALYSIS

FOR THE LAST 5 YEARS

Consolidated Statement of Financial Position

Particulars	Amount In Taka				
	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
PROPERTY & ASSETS					
CASH	6.13%	5.45%	5.54%	5.55%	4.91%
Cash in Hand (including foreign currencies)	0.73%	0.63%	0.63%	0.69%	0.78%
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)	5.40%	4.82%	4.91%	4.86%	4.13%
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	1.71%	1.72%	0.81%	1.83%	0.84%
In Bangladesh	1.07%	1.44%	0.36%	1.57%	0.78%
Outside Bangladesh	0.64%	0.28%	0.44%	0.26%	0.05%
MONEY AT CALL AND ON SHORT NOTICE	0.21%	0.81%	0.12%	0.26%	0.08%
INVESTMENTS	16.55%	14.44%	16.71%	11.52%	12.48%
Government	14.26%	10.99%	10.28%	9.26%	10.51%
Others	2.30%	3.45%	6.44%	2.25%	1.97%
LOANS AND ADVANCES / INVESTMENTS	67.08%	69.11%	68.75%	72.98%	74.09%
Loans, Cash Credits, Over Draft etc./ Investments	66.34%	67.97%	67.21%	71.09%	71.65%
Bills Purchased and Discounted	0.73%	1.14%	1.54%	1.89%	2.43%
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURE	2.86%	2.62%	2.30%	2.10%	1.89%
OTHER ASSETS	5.46%	5.85%	5.77%	5.76%	5.72%
NON-BANKING ASSETS					
TOTAL ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITIES & CAPITAL					
Liabilities					
Borrowings from other banks, financial Institutions and agents	2.80%	0.84%	3.46%	7.64%	6.13%

Particulars	Amount In Taka				
	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
DEPOSITS AND OTHER ACCOUNTS	81.13%	80.78%	80.21%	76.68%	78.60%
Current / Al-Wadeeah Deposits & Other Deposits	9.03%	10.05%	9.76%	10.08%	9.19%
Bills Payable	0.96%	0.94%	1.90%	1.52%	1.47%
Savings Bank / Mudaraba Savings Deposits	4.01%	4.60%	5.26%	5.89%	5.62%
Short Term Deposits / Mudaraba Short Term Deposits	2.54%	2.35%	3.02%	2.71%	3.14%
Fixed Deposits / Mudaraba Term Deposits	57.75%	56.39%	54.35%	51.47%	54.69%
Deposits Under Schemes / Mudaraba Deposit Schemes	6.84%	6.45%	5.91%	5.01%	4.49%
OTHER LIABILITIES	7.82%	9.71%	8.10%	8.04%	7.75%
TOTAL LIABILITIES	91.76%	91.33%	91.77%	92.37%	92.48%
CAPITAL / SHAREHOLDERS' EQUITY					
Paid-up Capital	4.75%	4.95%	4.94%	4.51%	4.42%
Statutory Reserve	2.73%	2.84%	2.73%	2.62%	2.54%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Revaluation Reserve on Investment	0.02%	0.01%	0.02%	0.00%	0.08%
Surplus in Profit and Loss Account/ Retained earnings	0.73%	0.87%	0.55%	0.51%	0.47%
TOTAL SHAREHOLDERS' EQUITY	8.24%	8.67%	8.23%	7.63%	7.52%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	100.00%	100.00%	100.00%	100.00%	100.00%

HORIZONTAL ANALYSIS

FOR THE LAST 5 YEARS

Consolidated Statement of Financial Position

Particulars	Amount In Taka				
	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
PROPERTY & ASSETS					
CASH	214.86%	193.58%	233.70%	239.26%	183.20%
Cash in Hand (including foreign currencies)	101.20%	95.05%	116.21%	125.27%	78.18%
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)	113.67%	98.52%	117.49%	113.99%	105.02%
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	198.76%	197.09%	214.05%	564.17%	79.58%
In Bangladesh	72.88%	149.64%	29.10%	497.08%	55.86%
Outside Bangladesh	125.88%	47.45%	184.95%	67.09%	23.72%
MONEY AT CALL AND ON SHORT NOTICE	24.75%	428.00%	17.76%	236.84%	33.33%
INVESTMENTS	16.55%	14.44%	16.71%	11.52%	12.48%
Government	104.08%	85.04%	107.97%	103.67%	127.32%
Others	100.61%	165.76%	215.27%	40.25%	98.29%
LOANS AND ADVANCES / INVESTMENTS	179.98%	285.08%	269.01%	263.21%	257.50%
Loans, Cash Credits, Over Draft etc./ Investments	109.09%	113.08%	114.14%	121.63%	113.10%
Bills Purchased and Discounted	70.89%	172.01%	154.87%	141.57%	144.40%
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURE	517.26%	101.23%	101.23%	104.95%	100.76%
OTHER ASSETS	124.93%	118.21%	113.88%	114.81%	111.34%
NON-BANKING ASSETS					
TOTAL ASSETS	109.84%	110.37%	115.43%	114.99%	112.21%

Particulars	Amount In Taka				
	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
LIABILITIES & CAPITAL					
Liabilities					
Borrowings from other banks, financial Institutions and agents	84.90%	33.21%	473.51%	254.08%	90.08%
DEPOSITS AND OTHER ACCOUNTS	698.23%	671.28%	843.46%	648.78%	667.39%
Current / Al-Wadeeah Deposits & Other Deposits	121.89%	122.83%	112.11%	118.77%	102.27%
Bills Payable	137.03%	107.73%	233.72%	91.85%	108.18%
Savings Bank / Mudaraba Savings Deposits	128.20%	126.63%	132.08%	128.79%	107.12%
Short Term Deposits / Mudaraba Short Term Deposits	111.04%	102.21%	148.62%	102.97%	129.98%
Fixed Deposits / Mudaraba Term Deposits	110.71%	107.77%	111.25%	108.90%	119.23%
Deposits Under Schemes / Mudaraba Deposit Schemes	89.36%	104.10%	105.69%	97.51%	100.62%
OTHER LIABILITES	117.55%	136.93%	96.35%	114.17%	108.10%
TOTAL LIABILITIES	110.15%	109.86%	115.98%	115.74%	112.35%
CAPITAL / SHAREHOLDERS' EQUITY					
Paid-up Capital	100.00%	115.00%	115.00%	105.00%	110.00%
Statutory Reserve	112.65%	114.44%	111.24%	110.06%	109.18%
General Reserve					
Revaluation Reserve on Investment	35.35%	62.40%	144.59%	11.14%	5869.66%
Surplus in Profit and Loss Account/ Retained earnings	145.99%	130.60%	72.65%	107.39%	104.51%
TOTAL SHAREHOLDERS' EQUITY	106.42%	116.06%	109.58%	106.66%	110.49%
Minority Interest	108.94%	105.88%	102.99%	105.27%	102.02%
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	109.84%	110.37%	115.43%	114.99%	112.21%

VERTICAL ANALYSIS

FOR THE LAST 5 YEARS

Consolidated Statement of Comprehensive Income

Particulars	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
Interest Income / Profit on Investment	79.34%	77.36%	78.64%	75.03%	80.51%
Interest / Profit paid on Deposits & Borrowings etc.	78.47%	75.11%	71.09%	70.36%	73.63%
Net Interest / Net Profit on Investments	21.24%	20.26%	25.13%	21.27%	21.05%
Investment Income	12.53%	14.03%	12.07%	14.47%	10.47%
Commission, Exchange Earnings & Brokerage	6.43%	6.57%	7.01%	8.14%	6.45%
Other Operating Income	1.69%	2.04%	2.28%	2.37%	2.57%
TOTAL OPERATING INCOME (A)	41.90%	42.91%	46.49%	46.24%	40.54%
Salary & Allowances	13.64%	15.62%	17.25%	17.41%	14.98%
Rent, Taxes, Insurance, Electricity etc.	2.92%	3.76%	4.71%	4.75%	4.33%
Legal Expenses	0.06%	0.07%	0.17%	0.17%	0.18%
Postage, Stamp, Telecommunication etc.	0.25%	0.27%	0.31%	0.23%	0.21%
Stationery, Printing, Advertisement etc.	0.45%	0.51%	0.63%	0.76%	0.69%
Managing Director's salary & fees	0.08%	0.08%	0.08%	0.10%	0.07%
Directors' Fee & Other benefits	0.08%	0.07%	0.09%	0.10%	0.06%
Audit Fees	0.01%	0.01%	0.02%	0.01%	0.01%
Charges on loan losses	0.35%	0.39%	0.00%	0.00%	0.00%
Depreciation and Repair of Bank's Assets	1.42%	1.49%	1.79%	1.69%	1.77%
Other Expenses	2.28%	2.63%	3.87%	4.43%	4.08%
TOTAL OPERATING EXPENSES (B)	21.53%	24.89%	28.91%	29.64%	26.37%
Profit / (Loss) Before Provision (C) = (A - B)	25.96%	23.99%	24.73%	23.60%	19.24%
Specific Provision	13.36%	4.35%	7.15%	8.08%	7.59%
General Provision	1.10%	0.31%	1.29%	0.15%	0.80%
Provision for Off-Balance Sheet items	0.07%	0.19%	0.44%	0.78%	0.10%
Provision for diminution in value of investments	0.23%	0.69%	0.35%	0.06%	0.11%
Provision for impairment of client margin loan	0.76%	0.49%	0.96%	0.62%	0.08%
Other Provision	0.15%	0.20%	0.00%	0.00%	0.00%
Total Provision (D)	15.66%	6.22%	10.18%	9.68%	8.68%
Total Profit / (Loss) before Taxes (E)=(C-D)	14.37%	19.26%	17.06%	16.20%	12.23%
Provision for Taxation	8.31%	9.95%	11.58%	9.69%	6.33%
Current Tax	8.24%	9.89%	11.49%	9.52%	6.22%
Deferred Tax	0.07%	0.06%	0.09%	0.18%	0.10%
Net Profit / (Loss) after Taxation :	8.21%	11.69%	8.35%	8.79%	7.12%

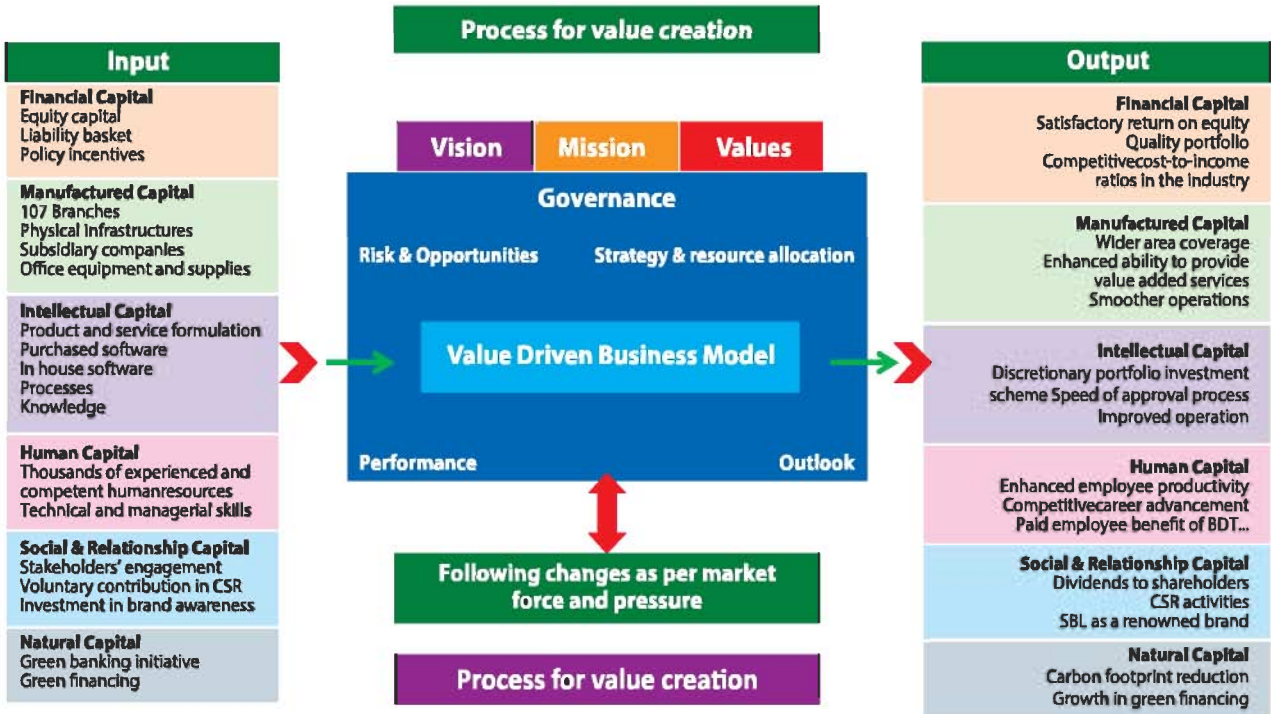
HORIZONTAL ANALYSIS

FOR THE LAST 5 YEARS

Consolidated Statement of Comprehensive Income

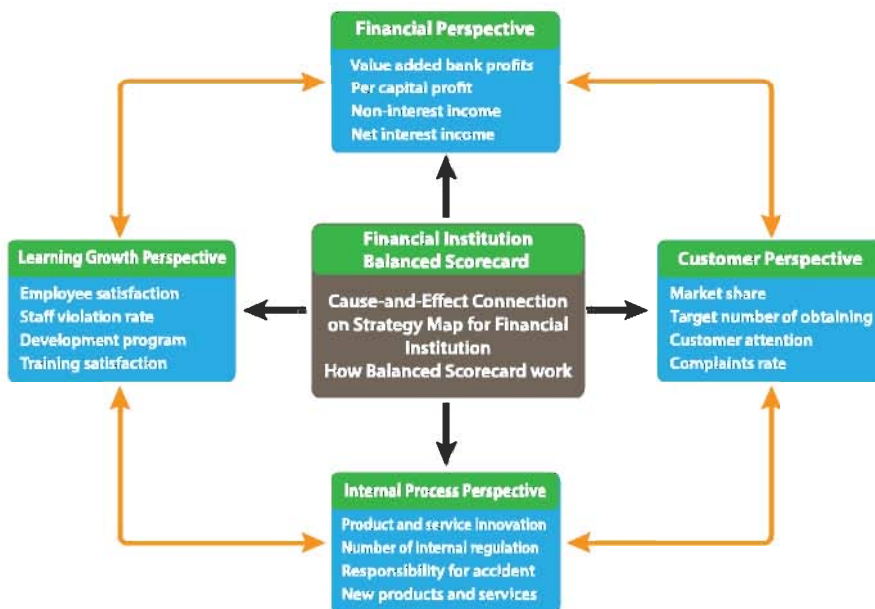
Particulars	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
Interest Income / Profit on Investment	106%	90%	97%	103%	75%
Interest / Profit paid on Deposits & Borrowings etc.	97%	91%	89%	109%	72%
Net Interest / Net Profit on Investments	9%	-1%	8%	-5%	2%
Investment Income	116%	103%	82%	130%	111%
Commission, Exchange Earnings & Brokerage	98%	94%	102%	125%	101%
Other Operating Income	105%	111%	107%	112%	74%
TOTAL OPERATING INCOME (A)	123%	95%	103%	108%	91%
Salary & Allowances	144%	109%	104%	111%	88%
Rent, Taxes, Insurance, Electricity etc.	112%	122%	119%	111%	83%
Legal Expenses	203%	103%	248%	110%	73%
Postage, Stamp, Telecommunication etc.	89%	104%	107%	82%	84%
Stationery, Printing, Advertisement etc.	58%	108%	118%	132%	83%
Managing Director's salary & fees	100%	102%	91%	137%	100%
Directors' Fee & Other benefits	102%	82%	130%	112%	123%
Audit Fees	121%	50%	260%	51%	86%
Charges on loan losses	129%	99%	113%	104%	72%
Depreciation and Repair of Bank's Assets	87%	110%	139%	126%	82%
Other Expenses	126%	110%	110%	112%	85%
TOTAL OPERATING EXPENSES (B)	121%	85%	98%	103%	98%
Profit / (Loss) Before Provision (C) = (A - B)	121%	85%	98%	105%	98%
Specific Provision	228%	31%	156%	124%	80%
General Provision	91%	27%	395%	13%	14%
Provision for Off-Balance Sheet items	10%	268%	221%	197%	613%
Provision for diminution in value of investments	2803%	286%	48%	18%	40%
Provision for impairment of client margin loan	0%	61%	185%	70%	574%
Other Provision	4575%	126%	0%	#DIV/0!	0%
Total Provision (D)	202%	38%	155%	104%	84%
Total Profit / (Loss) before Taxes (E)=(C - D)	-81%	48%	-56%	-1%	14%
Provision for Taxation	278%	198%	241%	318%	248%
Current Tax	68%	114%	110%	91%	116%
Deferred Tax	210%	85%	131%	227%	132%
Net Profit / (Loss) after Taxation :	120%	132%	68%	114%	99%
Retained earnings brought forward from previous year	271%	74%	687%	46%	75%
Net Profit available for distribution	122%	130%	77%	105%	97%
Appropriations :					
Statutory Reserve	87%	129%	89%	100%	100%
Proposed Bonus Shares					
Retained Earnings carried forward	146%	131%	72%	108%	96%
Earning per Share (EPS):	120%	99%	65%	103%	99%

HOW WE CREATE VALUE



MANAGEMENT RETROSPECTION

BALANCED SCORECARD



VALUE ADDED STATEMENT

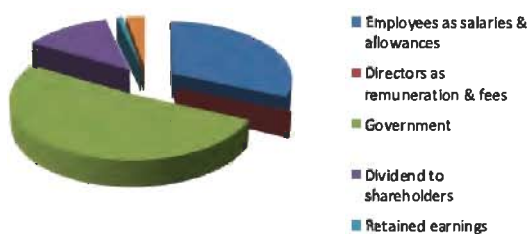
FOR THE YEAR ENDED 31ST DECEMBER 2018

Value added statement shows exactly how much value (wealth) has been created by the bank during 2018 through its banking activities i.e. utilization of its capacity, capital, manpower and other resources and how it is allocated among different stakeholders i.e. employees, directors, shareholders, government in the form of salaries & allowances, 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 itself only rather it cares to the society and thus is committed to contribute to the economic growth. Such value is being added due to spill over economic impact due to operation of the business houses. SBL as a commercial bank, has a large scale of spill over 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.

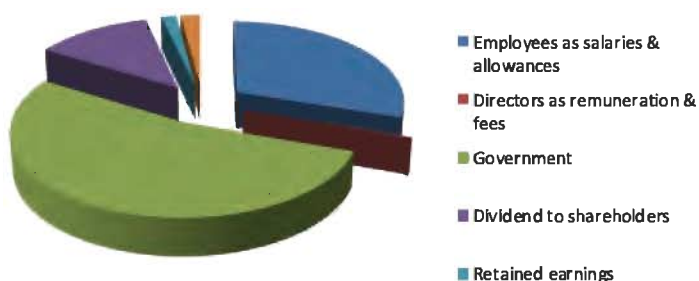
Particulars	2018 Taka	2017 Taka
Wealth creation:		
Revenue from Banking services	17,640,811,478	14,091,316,476
Less: Cost of services & supplies	(11,918,272,573)	(8,741,192,720)
	5,722,538,905	5,350,123,755
Non-banking income	-	-
Provision for loans & other assets	1,208,468,572	970,079,252
Total wealth creation	6,931,007,477	6,320,203,008
Wealth distribution:		
Employees & Directors		
Employees as salaries & allowances	2,135,184,643	1,885,234,309
Directors as remuneration & fees	8,351,249	10,273,712
Government	3,491,590,825	3,350,085,455
Corporate tax	822,823,558	998,566,861
Service tax/ Value added tax	2,421,060,816	2,211,668,194
Excise duties	247,706,450	139,850,400
Shareholders		
Dividend to shareholders	870,987,696	791,806,997
Retention for future business growth		
Retained earnings	63,642,725	102,475,048
Depreciation and amortization	187,609,381	129,660,999
Total Wealth Distribution	6,757,366,518	6,269,536,519

MANAGEMENT RETROSPECTION |

Wealth Distribution-2018



Wealth Distribution-2017



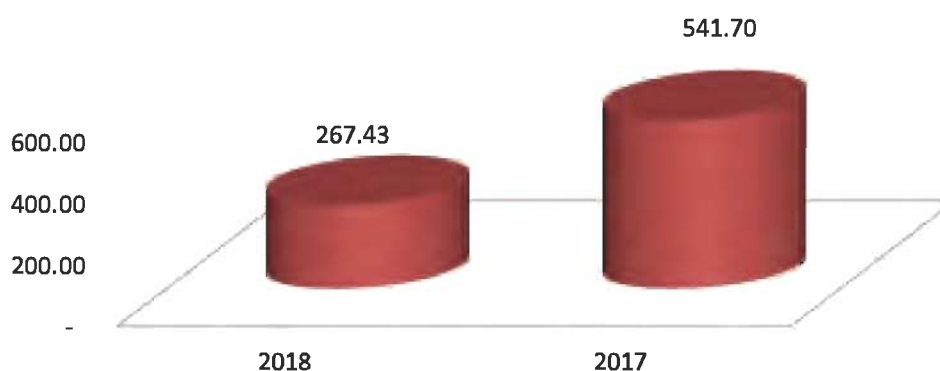
ECONOMIC VALUE ADDED (EVA) STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2018

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 267 million as of December 31, 2018 as against Tk 541 million in 2017. 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	2018 Taka	2017 Taka
Shareholders equity	14,816,250,459	13,410,027,862
Add: Accumulated provision for loans & advances and other assets	3,463,150,430	3,268,672,353
Capital Employed	18,279,400,888	16,678,700,215
Average Capital Employed / Shareholders' equity	14,113,139,160	12,991,313,061
Earnings:		
Profit after tax	1,255,547,301	1,238,450,432
Add: Provision for loans & advances and other assets charged during the year	1,235,541,456	1,042,709,230
Less: Written off loans during the year	1,001,458,536	646,890,418
Net earnings	1,489,630,221	1,634,269,244
Cost of equity:		
Average cost of equity (Based on weighted average rate of 10 years treasury bond issued by the Bangladesh Government) Plus 2% risk premium	8.66%	8.41%
Capital charge (Cost of average equity)	1,222,197,851	1,092,569,428
Economic Value Added	267,432,370	541,699,816

Economic Value Added (Million Taka)

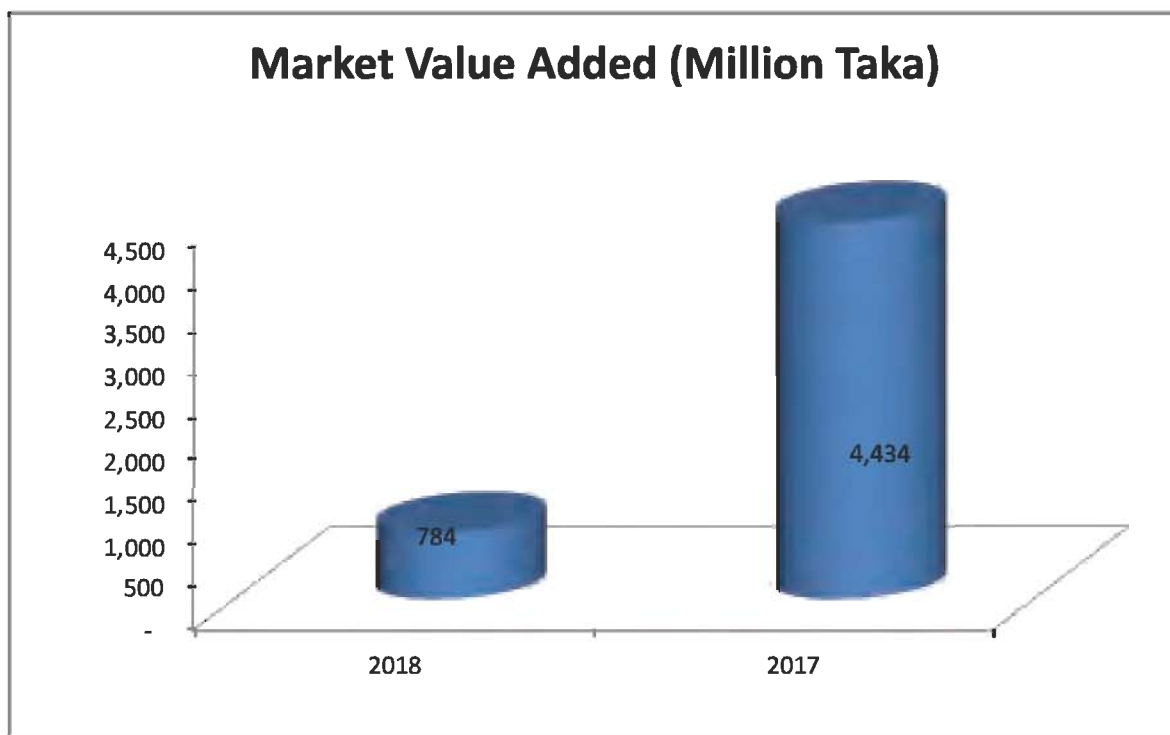


MARKET VALUE ADDED (MVA) STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2018

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	2018	2017
Face value per share (BDT)	10.00	10.00
Market value per share (BDT)	10.90	15.60
Number of shares outstanding	870,987,696	791,806,997
Total market capitalization (BDT million)	9,494	12,352
Book value of paid up capital (BDT million)	8,710	7,918
Market value added (BDT million)	784	4,434



STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

FOR THE YEAR ENDED 31ST DECEMBER 2018

Management Discussion and Analysis Statement on Contribution to Government Exchequer Government is considered as one of the most important stakeholders which play a critical role in the economic development of the country. Being a legitimate and ethical company, Standard Bank contributes to the Government Exchequer when the necessary amounts fall due. For the year 2018, Standard Bank and its subsidiaries made a handsome contribution to Government Exchequer of an amount equal to BDT 2668 million, composed of income tax, withholding tax, VAT, withholding VAT and excise duty. This is in comparison to BDT 2352 million in 2017, reflecting its fair and consistent commitment towards national contribution.

Particulars	2018	2017
Income Tax	2,219,936,640	2,046,062,041
Salary	57,145,937	53,738,421
Interest on deposit	989,393,504	715,012,674
Payment on Supplier	17,880,605	17,350,558
House rent	4,371,155	3,734,951
IT on subordinate bond	25,450,000	11,500,000
Advance IT on LC commission	11,157,473	9,897,028
Advance Corporate Tax	750,000,000	850,000,000
Return for Professional & Technical Service	2,804,428	2,764,120
IT on Local LC	18,662,294	13,564,185
Others	343,071,245	368,500,105
VAT	201,124,176	165,606,153
House rent	51,190,323	41,380,199
LC Commission	46,090,898	39,227,289
Procurement of goods and Service	39,783,726	36,814,038
Legal , Professional & Technical Fees	4,509,539	4,314,125
Director Fees	333,000	336,012
VAT on Banking Service	57,966,228	42,305,392
Indenting	1,250,461	1,229,098
Excise duty	247,706,450	139,850,400
Total Paid to Government Exchequer	2,668,767,266	2,351,518,594

STAKEHOLDERS INFORMATION

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5 YEARS FINANCIAL HIGHLIGHTS

(Figure in million Taka)

	2014	2015	2016	2017	2018
Income Statement					
Interest Income	11,721	10,561	10,252	10,572	14,207
Interest Expenses	8,563	7,795	6,976	7,575	10,479
Net Interest Income	3,158	2,766	3,276	2,998	3,727
Investment Income	1,852	1,916	2,039	2,039	1,844
Commission, Exchange Earnings & Brokerage	950	897	1,147	1,147	1,137
Other Operating Income	250	279	333	333	452
Non-Interest Income	3,052	3,091	2,785	3,519	3,434
Non-Interest Expense	2,323	2,583	2,837	3,192	3,753
Net Non-Interest Income	729	509	-52	327	-319
Profit before Provision & Tax	3,835	3,275	3,224	3,325	3,391
Provision for Loans & Assets	1,713	646	999	1,043	1,236
Profit after provision before Tax	2,122	2,629	2,224	2,282	2,156
Provision for Tax (Including Deferred Tax)	909	1,033	1,136	1,044	900
Profit after Tax	1,213	1,596	1,088	1,238	1,256
Balance Sheet					
Authorised Capital	15,000	15,000	15,000	15,000	15,000
Paid-up Capital	5,702	6,557	7,541	7,918	8,710
Shareholders' Equity (Capital & Reserve)	9,886	11,474	12,573	13,410	14,816
Borrowings	3,360	3,247	5,284	13,425	12,092
Deposits	97,302	106,932	122,554	134,731	154,961
Other Liabilities	9,383	10,669	12,379	14,134	15,279
Liquid Assets	29,504	29,669	35,419	33,661	36,101
Money At Call & On Short Notice	250	1,070	190	450	150
Loans & Advances	80,449	91,487	105,039	128,228	146,061
Investments	19,854	19,109	25,533	20,234	24,614
Fixed Assets	3,431	3,473	3,516	3,690	3,718
Other Assets	6,548	7,692	8,815	10,120	11,268
Total Assets (Excluding off-balance sheet items)	119,932	132,321	152,789	175,699	197,148
Net Asset Value (NAV)	9,886	11,474	12,573	13,410	14,817
Off-Balance Sheet exposure	27,251	29,196	33,487	41,920	49,442
Others Business					
Import Business	53,932	51,491	55,684	66,510	74,464
Export Business	43,587	38,746	38,506	43,807	51,884
Foreign Remittance	6,526	9,781	5,764	7,563	9,579
Capital Measures					
Total Risk Weighted assets	98,976	116,936	121,009	146,144	164,774

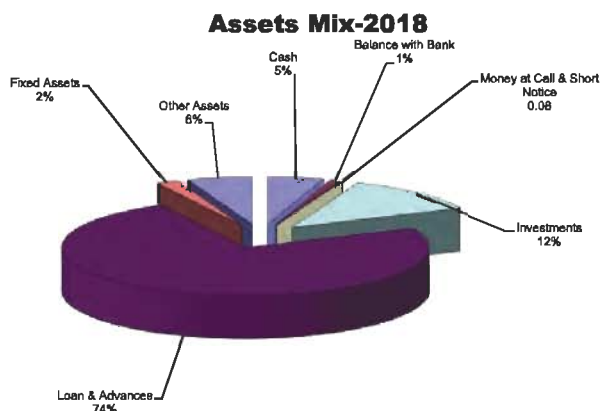
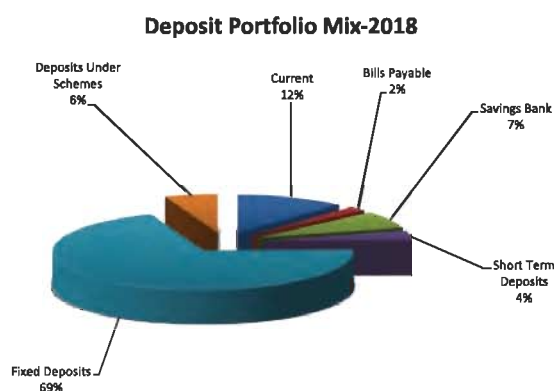
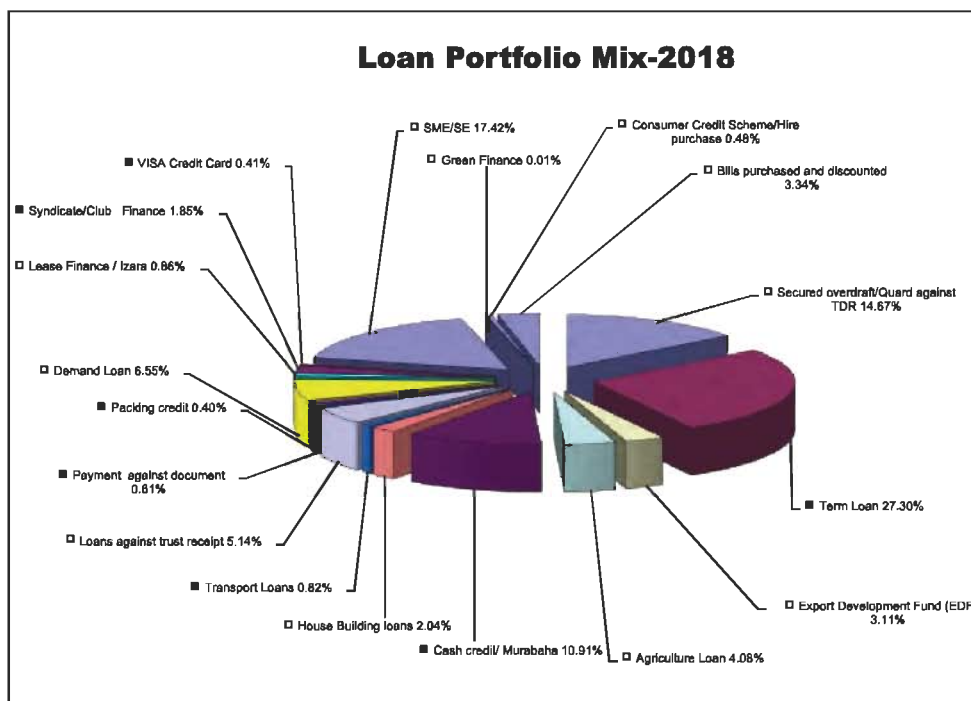
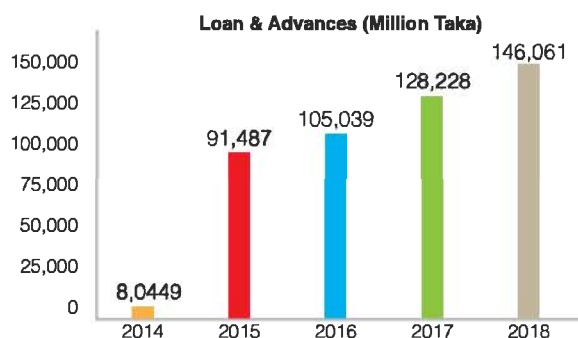
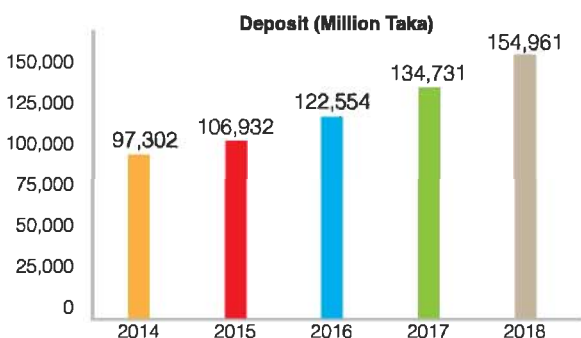
(Figure in million Taka)

	2014	2015	2016	2017	2018
Tier-I Capital	9,860	11,044	10,404	13,337	10,138
Tier-II Capital	1,153	3,202	3,369	7,066	6,789
Total Regulatory Capital	11,013	14,246	13,773	20,404	16,927
Tier-I Capital Ratio	9.90%	9.44%	8.60%	9.13%	5.97%
Tier-II Capital Ratio	1.16%	2.74%	2.78%	4.84%	4.00%
Capital to Risk Weighted Assets Ratio (CRAR)	11.05%	12.18%	11.38%	13.96%	9.97%
Internal Capital Generation Ratio	9.15%	10.74%	6.93%	6.88%	6.62%
Leverage Ratio	7.36%	7.40%	6.21%	6.72%	4.66%
Credit Quality					
Volume of Non-performing loans	2,853	2,959	3,799	10,451	11,349
SMA loan outstanding	313	329	440	246	201
% of NPLs to Total Loans & Advances	3.55%	3.23%	3.62%	8.44%	8.10%
Gross NPL Coverage	54.36%	53.29%	49.87%	20.96%	20.01%
SMA to Credit Portfolio	0.39%	0.36%	0.42%	0.19%	0.14%
Provision for Unclassified Loans	868	900	1,026	1,042	1,156
Provision for Classified Loans	1,551	1,577	1,894	2,191	2,271
Provision for Off-Balance Sheet Items	273	292	335	419	433
Share Information					
Number of Share Outstanding	570	656	754	792	871
Earning Per Share (Taka)	1.85	2.12	1.44	1.42	1.44
Book Value Per Share (Taka)	10.00	10.00	10.00	10.00	10.00
Market Price Per Share (Taka)	12.70	9.20	11.90	15.60	10.90
Price Earning Ratio (Times)	6.86	4.35	8.25	10.97	7.56
Net Asset Value Per Share (Taka)	17.34	17.50	16.67	16.94	17.01
Cash Dividend (%)		-			
Bonus Share (%)	15%	15%	10%	10%	10%
Rights Share Issue		-			
Operating Performance Ratio					
Net Interest Margin on average earning assets	3.27%	2.63%	2.74%	2.22%	2.44%
Net Non-Interest Margin on average earning assets	0.75%	0.48%	-0.04%	0.24%	-0.21%
Total operating expenses to average total assets	2.03%	2.05%	1.99%	1.94%	2.01%
Net operating income to average total assets	3.35%	2.60%	2.26%	2.02%	1.82%
Credit / Deposit Ratio(%)	82.68%	85.56%	82.09%	83.89%	83.89%
Return On Equity(ROE) %	12.27%	13.91%	8.66%	9.24%	8.47%
Return On Average Equity(ROAE) After Tax	12.66%	14.95%	9.05%	9.53%	8.90%
Return On Assets (ROA)%	1.06%	1.27%	0.76%	0.75%	0.67%
Return On Average Assets(ROAA) Before Tax	1.85%	2.08%	1.56%	1.39%	1.16%
Return On Investment (ROI)	9.49%	9.83%	9.14%	8.91%	8.22%
Price Earning Ratio (times)	6.86	4.35	8.25	10.97	7.56
Yield on average advance (%)	14.59%	12.28%	10.56%	9.59%	9.59%
Return On Average RWA	1.23%	1.37%	0.90%	0.85%	0.76%
Liquid Assets Ratio	1.06	1.08	1.12	1.14	1.15

(Figure in million Taka)

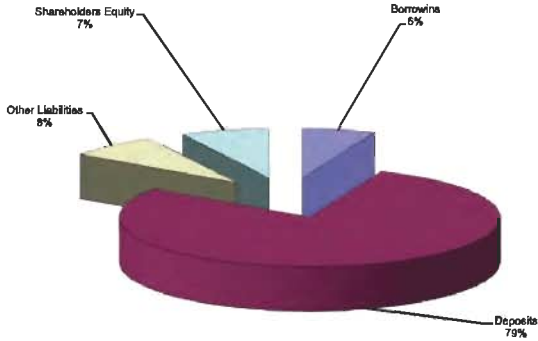
	2014	2015	2016	2017	2018
Loan to Deposit Ratio	82.68%	85.56%	82.09%	83.89%	85.36%
Efficiency Ratio	73.69%	76.01%	75.27%	76.40%	80.78%
Debt to Equity Ratio	11.13	10.53	11.15	12.10	12.31
Net Income Ratio	8%	12%	8%	9%	7%
Operating Income Ratio	42%	43%	46%	46%	41%
Debt to Total Assets Ratio	91.76%	91.33%	91.77%	92.37%	92.48%
Asset Turnover ratio	12.90%	10.82%	9.15%	8.58%	9.45%
Times Interest Earned Ratio	1.73	1.75	1.87	1.86	1.68
Debt Service Coverage Ratio	4%	3%	3%	2%	2%
Quick Ratio	2.07	2.07	1.75	1.08	1.20
Average Branch wise Manpower	16	15	18	17	18
Total Operating Profit to Total Income	26%	24%	25%	24%	19%
Interest expense to Total Expenses	79%	75%	71%	70%	74%
Interest Income to Total Income	79%	77%	79%	75%	81%
Operating profit per branch	39.95	31.49	28.78	27.25	25.31
Operating profit per employee	2.47	2.04	1.62	1.60	1.42
Per employee Income	9.51	8.51	6.54	6.79	7.38
Per employee expenses	7.01	6.47	4.93	5.19	5.96
Per employee Advances	51.77	57.04	52.73	61.77	61.14
Per employee Assets	77.18	82.49	76.70	84.63	82.52
Per employee Deposit	62.61	66.67	61.52	64.90	64.86
Burden Coverage Ratio	52%	46%	52%	46%	42%
NFI to Total Operating Income	21%	23%	21%	25%	19%
Cost income ratio	74%	76%	75%	76%	81%
Operating profit as % of working funds	4.14%	3.18%	2.70%	2.49%	2.30%
Net interest income as % of working funds	3.41%	2.68%	2.75%	2.24%	2.52%
Total cost of Fund	11.03%	9.75%	8.52%	8.00%	8.85%
Cost of Deposit(%)	8.92%	7.69%	6.32%	5.71%	6.63%
Administrative cost (%)	2.11%	2.06%	2.20%	2.29%	2.22%
Other Information					
Number of Branches	96	104	112	122	134
Urban	61	65	69	75	81
Rural	28	32	36	40	46
Number of SME & Agriculture Branches	7	7	7	7	7
Number of Employees	1554	1604	1992	2076	2389
Number of Shareholders	37249	31984	29633	22650	24124
Number of Foreign Correspondents	20	21	21	21	21
Average earning assets	96,734	105,188	119,456	135,215	151,168
Average Total assets	114,562	126,126	142,555	164,244	186,424
Average Deposits	92,632	102,117	114,743	128,642	144,846
Average Advance	77,315	85,968	98,263	116,634	137,144
Average Investment	19,511	19,481	22,321	22,883	22,424
Average Equity	9,588	10,680	12,023	12,991	14,113

GRAPHICAL PRESENTATION

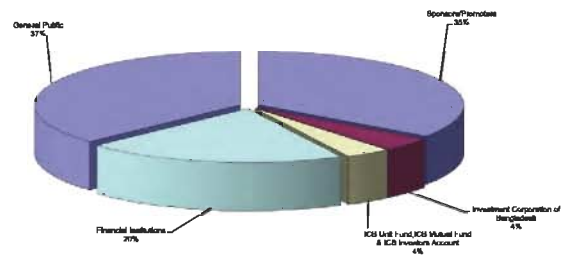


| STAKEHOLDERS' INFORMATION |

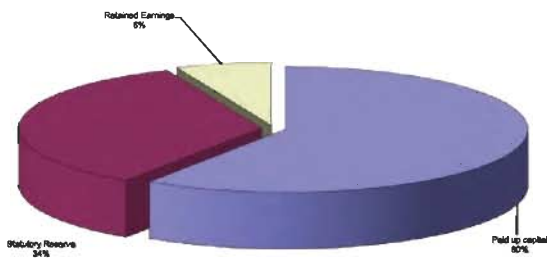
Assets Funding Mix-2018



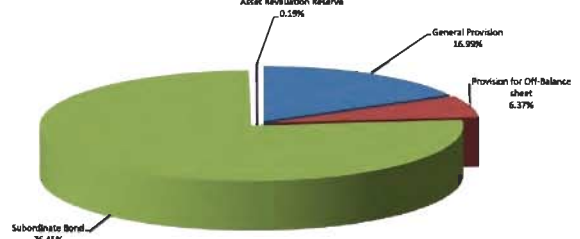
Types of Shareholding (Million)



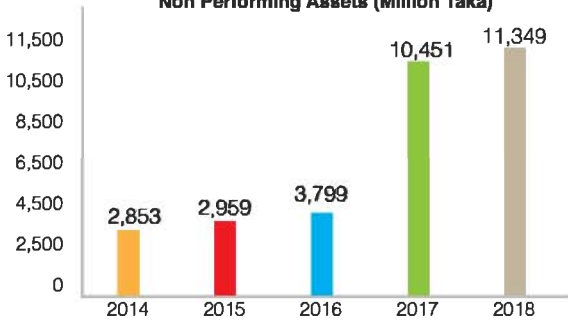
Tier -I Capital



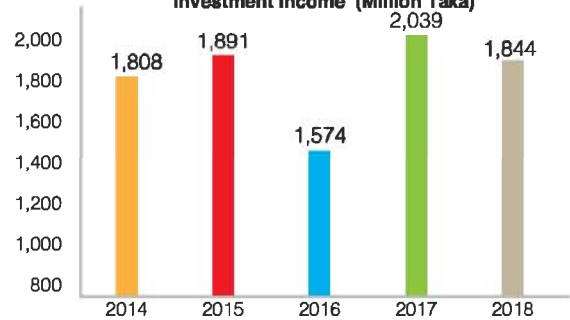
Tier -II Capital



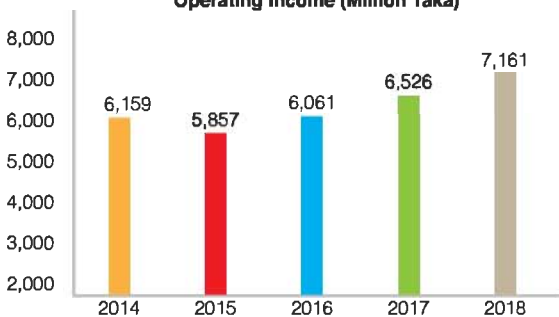
Non Performing Assets (Million Taka)



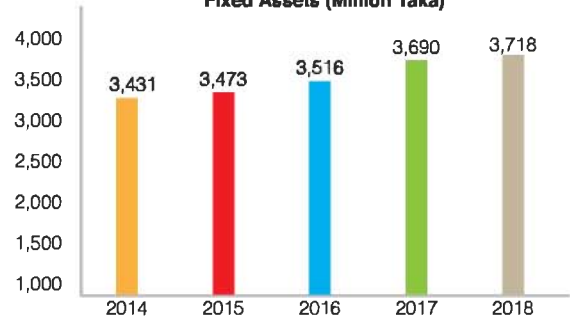
Investment Income (Million Taka)

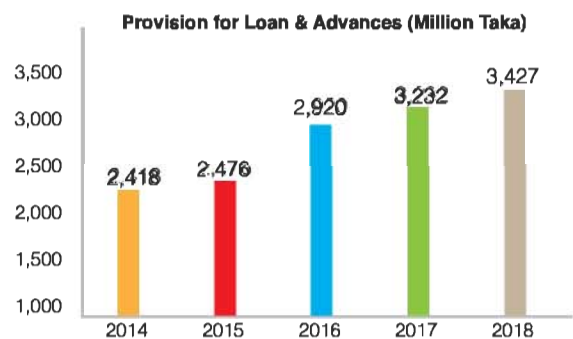
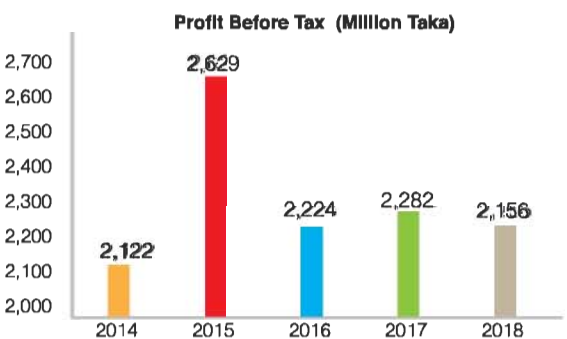
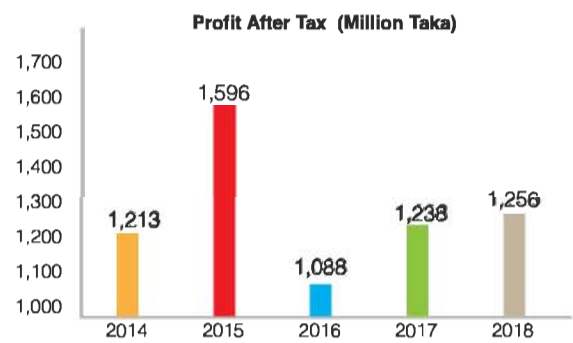
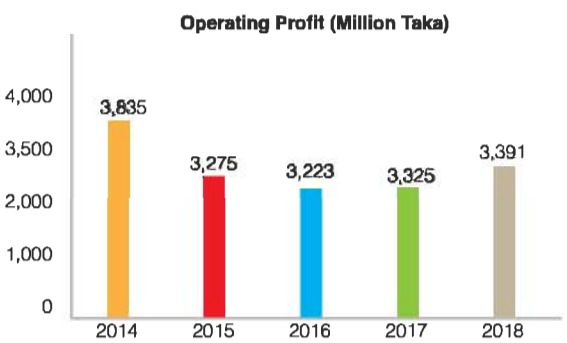
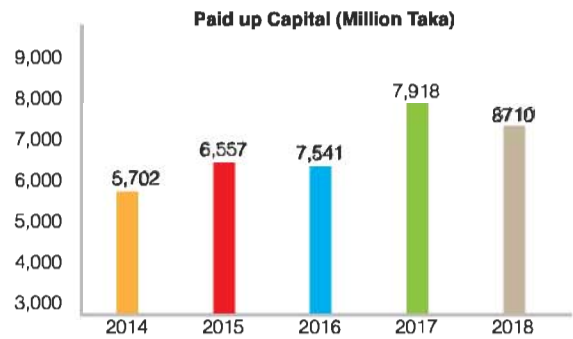
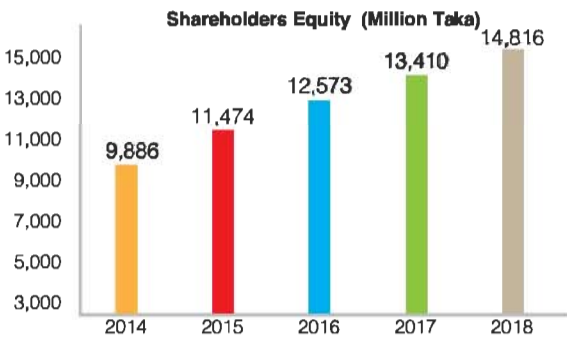
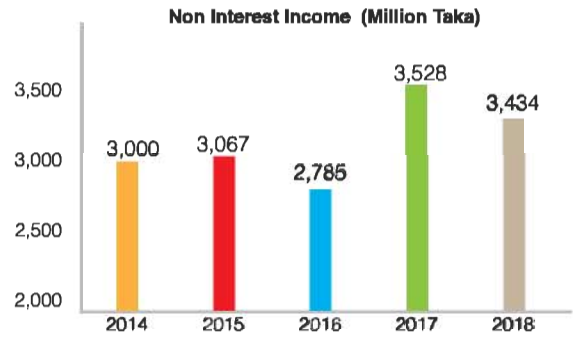
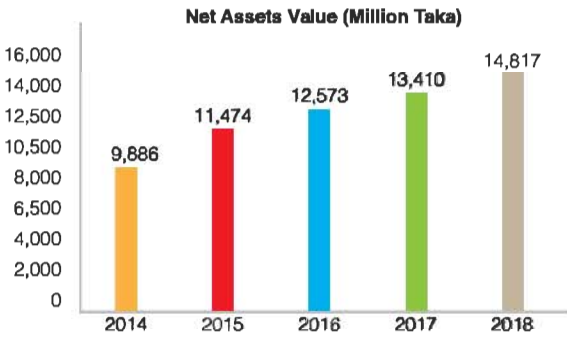


Operating Income (Million Taka)

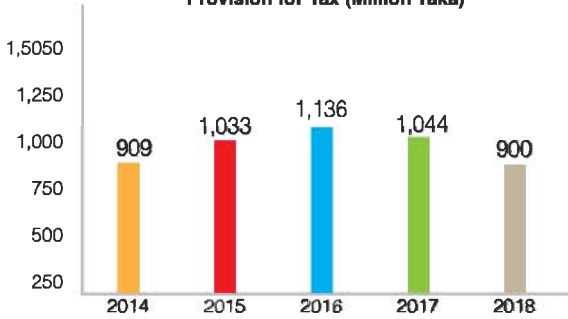


Fixed Assets (Million Taka)

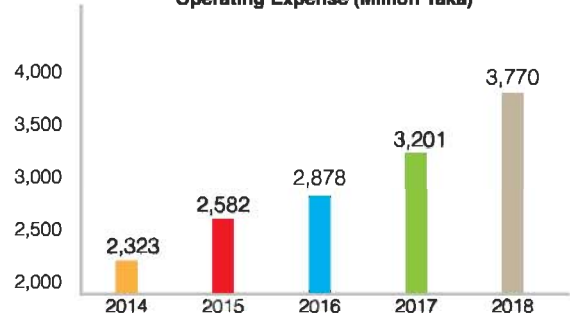




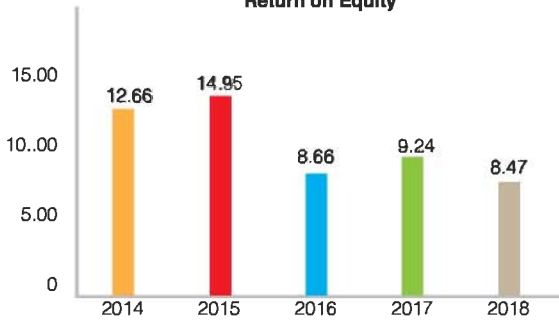
Provision for Tax (Million Taka)



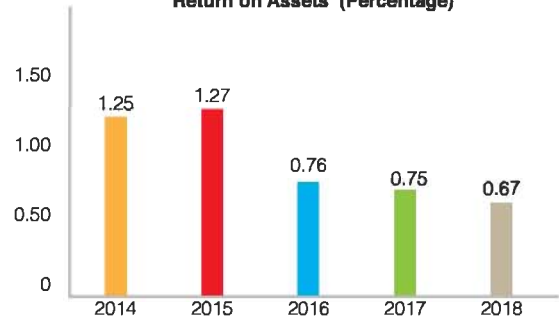
Operating Expense (Million Taka)



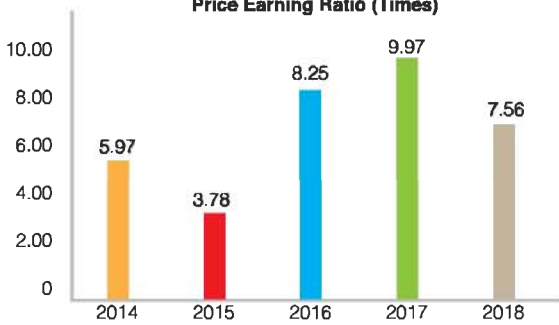
Return on Equity



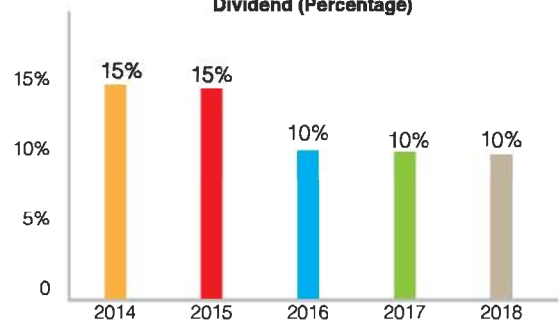
Return on Assets (Percentage)



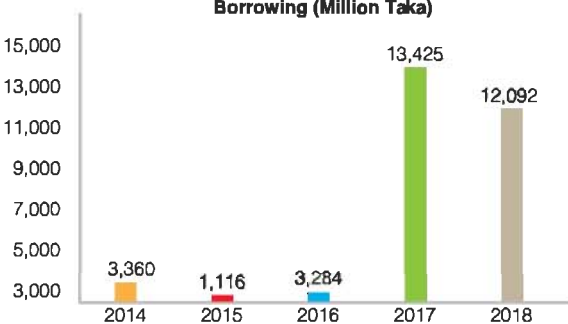
Price Earning Ratio (Times)



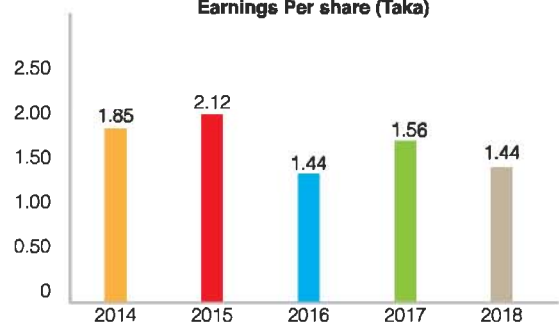
Dividend (Percentage)

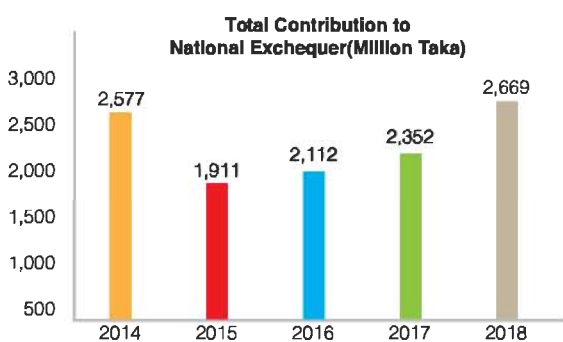
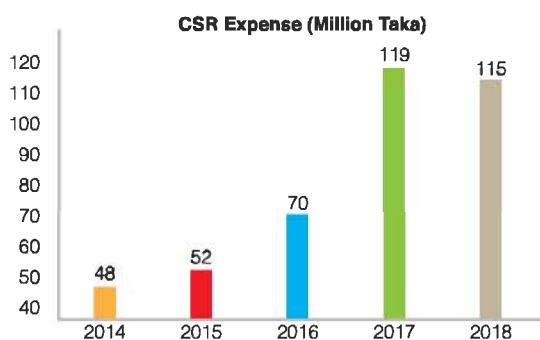
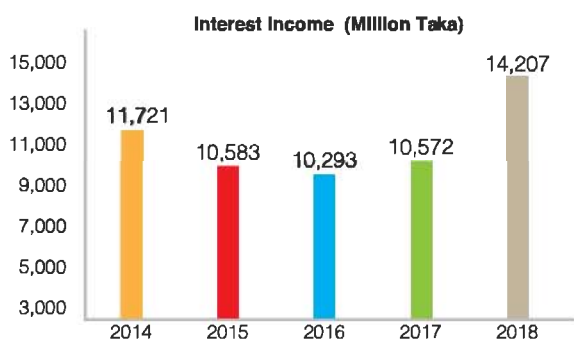
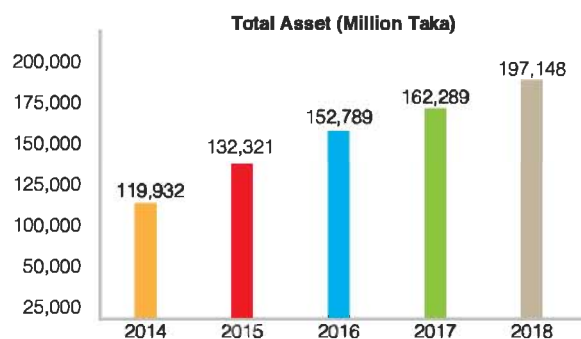
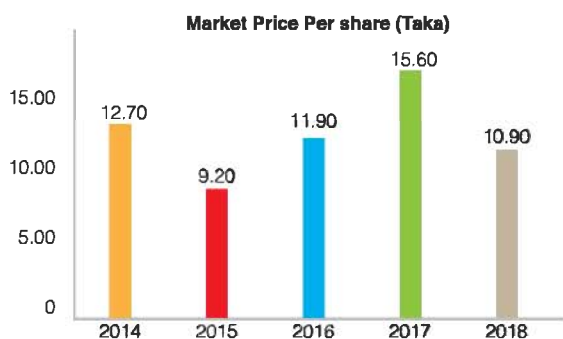


Borrowing (Million Taka)



Earnings Per share (Taka)



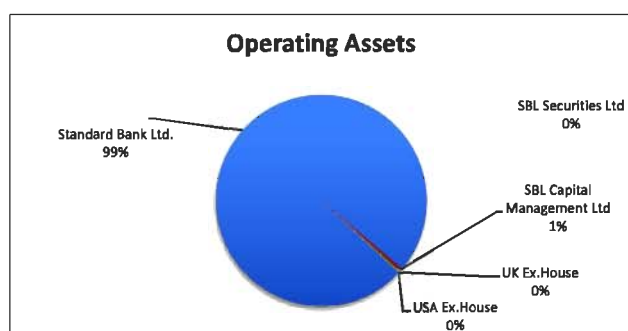
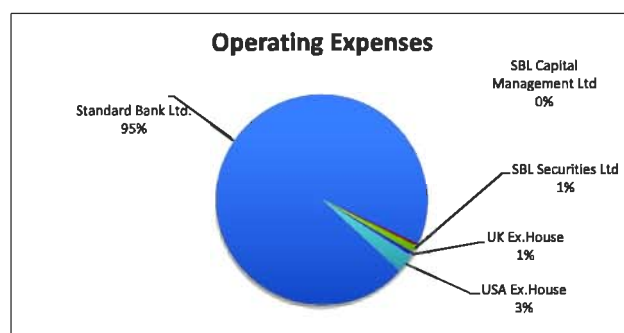
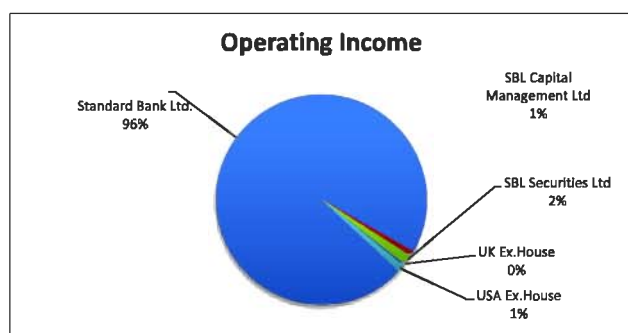


SEGMENT REPORTING

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

Particulars	Standard Bank Ltd.	Subsidiaries		Overseas		Total
		SBL Capital Management Ltd	SBL Securities Ltd	UK Ex.House	USA Ex. House	
Net interest Income	3,723,524,647	(34,257,575)	53,074,980	-	538,483	3,742,880,536
Total Operating Income	6,461,452,961	57,591,452	99,204,646	16,394,736	83,170,443	6,717,814,239
Total Non Operating Income	444,402,452	2,209,400	266,090	1,528,749	4,024,133	452,430,824
Total Operating Expenses	3,588,283,441	15,253,270	42,895,622	19,194,426	113,224,672	3,778,851,431
Profit before Provision	3,317,571,972	44,547,582	56,575,114	(1,270,941)	(26,030,096)	3,391,393,631
Total Provision against assets	1,208,468,572	10,984,346	16,088,538	-	-	1,235,541,456
Profit before Tax (PBT)	2,109,103,400	33,563,236	40,486,576	(1,270,941)	(26,030,096)	2,155,852,175
Provision for Taxation	854,366,775	32,192,032	13,746,067	-	-	900,304,874
Profit After Tax (PAT)	1,254,736,625	1,371,204	26,740,509	(1,270,941)	(26,030,096)	1,255,547,301
Segment Assets	195,764,449,747	1,120,009,279	439,507,597	22,621,527	75,525,362	197,422,113,512
Segment Liabilities	195,764,449,747	1,120,009,279	439,507,597	22,621,527	75,525,362	197,422,113,512

STAKEHOLDERS' INFORMATION



CREDIT RATING REPORT



Credit Rating Information & Services Limited (CRISL) reaffirms surveillance rating of Standard Bank Limited to "AA" (Pronounced as double A) in the Long Term and "ST-2" in the Short Term. The rating has been conducted through an in-depth analysis of the operational & financial performance of the Bank along with all its relevant quantitative and qualitative factors. The basis of the evaluation was financials of the Bank up to December 31, 2017 and other prevailing factors up to the date of rating.

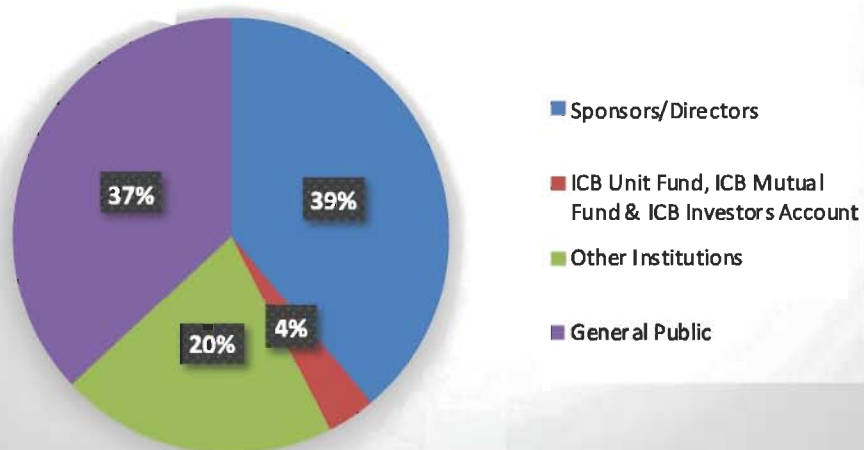
Long Term Rating: The Bank rated "AA" (High Safety) in Credit rating is adjudged to be of high quality, offers higher safety and has high credit quality. This level of rating indicates a corporate entity with sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

Short Term Rating: The Bank rated ST-2 (High Grade) in short term in credit rating is considered to have high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

DISTRIBUTION OF SHAREHOLDING

S.L No.	Designation	No. of Share		No. of Share In (%)	
		31.12.2017	31.12.2018	31.12.2017	31.12.2018
1	Sponsors/Directors	310,570,671	339,103,859	39.22	38.93
2	ICB Unit Fund, ICB Mutual Fund & ICB Investors Account	33,176,713	31,259,541	4.19	3.59
3	Other Institutions	77,834,628	178,987,972	9.83	20.55
4	General Public	370,224,985	321,636,324	46.76	36.93
	Total	791,806,997	870,987,696	100	100

Share Holding Position as on 2018



REDRESSAL OF INVESTORS' GRIEVANCES

Standard Bank Limited is fully committed to ensuring equitable treatment of every shareholder irrespective of whether they are majority shareholders, minority shareholders, institutional investors or foreign shareholders. With a view to ensuring equal treatment of all shareholders, the bank resorts to a number of means such as the following:

The bank provides proxy forms to shareholders who are unable to attend the shareholders' meeting allowing them cast their vote on each agenda. The proxy forms, which are prepared in accordance with the standard format, are sent along with the annual report.

The shareholders' meetings are conducted according to the order of the agenda, without adding new and uniformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before embarking on a decision. Moreover, no abrupt changes to the important information are proposed in the shareholders' meeting.

The bank evaluates the importance of the consideration of transactions, which may have conflicts of interest or may be connected or related transactions. Besides, the bank religiously abides by good corporate governance principles including the rules and regulations of the Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange and the Chittagong Stock Exchange transactions. The Directors or the Management do not entertain any consideration to approve such transactions.

The bank provides a channel for minority shareholders to propose issues deemed important and appropriate to include in the agenda of the bank's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of Director.

Complaint redressal is supported by a review mechanism to minimize the recurrence of similar issues in future.

SBL FOLLOWS THE FOLLOWING PRINCIPLES

- Investors must be treated fairly at all times;
- Complaints raised by investors must be dealt with courtesy and in a timely manner;
- Investors are informed of avenues to raise their complaints within the organization;
- Complaints are treated efficiently and fairly;
- SBL employees work in good faith and without

prejudice, towards the interests of the investors.

WAY OF REDRESSAL OF INVESTOR COMPLAINTS

- Investor can complain through email sblho@standardbankbd.com;
- An Investor can make a written complaint through letter;
- The bank maintains investor grievance file in which full detail of every written complaint enters;
- There are 2 designated persons looking after the investor grievances in due time;
- The full detail of the written complaints are passed to the concerned departments and the compliance officer of the bank is informed as soon as it is received;
- A letter or an email is written to all the investors who submits written complaints by the designated persons or the Compliance Officer acknowledging receipt of the complaint informing them that it will be dealt with;
- Audit & Compliance Department obtains all information available on the complaint, which is considered necessary for a proper investigation and subsequently look into all the necessary information for resolving them soon as possible;

The bank continues to have regular communication with the shareholders through periodic updates of performance and at any other time when it believes it to be in the best interest of shareholders generally.

INVESTORS' INQUIRIES/COMPLAINT

Any queries relating to shareholdings, for example, transfer of shares, changes of name and address, and payment of dividend should be sent to the following address:

Mr. Md. Sahriaz Hossain Khan, SEO
Mr. Farhad Bin Amin, AO

Share Department
Islam Chamber (10th Floor)
125/A, Motijheel C/A
Dhaka – 1000
Phone: 9578385, 9577913

COMMUNICATION TO STAKEHOLDERS

Annual Report 2018 and other information about SBL may be viewed on SBL's website www.standardbankbd.com. SBL provides copies of Annual Reports to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange and Chittagong Stock Exchange for their reference.

Investors may read them at their public reference room or library.

Mr. Md. Sahriaz Hossain Khan, SEO
Mr. Farhad Bin Amin, AO

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



GLIMPSES OF 19TH AGM



| STAKEHOLDERS' INFORMATION |

ALL ROUND VIEW



Our Hon'ble Chairman Mr. Kazi Akram Uddin Ahmed with Lady Chairman Mrs. Khelda Ahmed is accepting flower bouquet from our Hon'ble Prime Minister in a grand reception ceremony hosted by Her Excellency on being elected International Director of Lions Clubs International.



Our Hon'ble Chairman Mr. Kazi Akram Uddin Ahmed is in a jovial conversation with our Hon'ble Prime Minister at the grand reception program hosted by Her Excellency on being elected International Director of Lions Clubs International.

| STAKEHOLDERS' INFORMATION |

PROJECTS FINANCED BY STANDARD BANK LTD.



NATIONAL TAX CARD AWARD FROM NBR

| STAKEHOLDERS' INFORMATION |



SUSTAINABILITY REPORT

OVERVIEW OF SUSTAINABILITY REPORTING

Sustainability reporting is the practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Sustainability reporting is a broad term considered synonymous with others used to describe reporting on economic, environmental and social impacts (c.g. triple bottom line, corporate responsibility reporting, etc). It is balanced and reasonable representation of the sustainability performance of a reporting organization – including both positive and negative contributions.



Sustainability reports based on the Global Reporting Initiatives (GRI), Reporting Framework disclose outcomes and results that occurred within the reporting period in the context of the organization's commitments, strategy and management approach. Reports can be used for the following purposes, among others:

Benchmarking and assessing sustainability performance with respect to laws, norms, codes, performance standards, and voluntary initiatives.

Demonstrating how the organization influences and is influenced by expectations about sustainable development; and



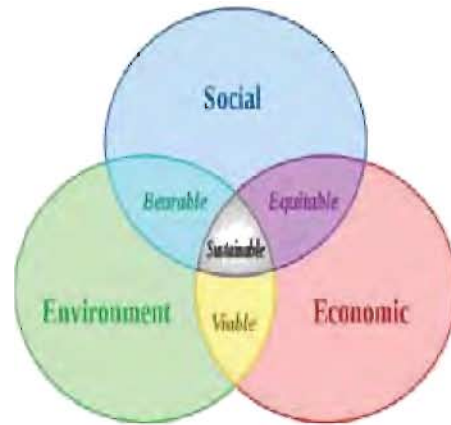
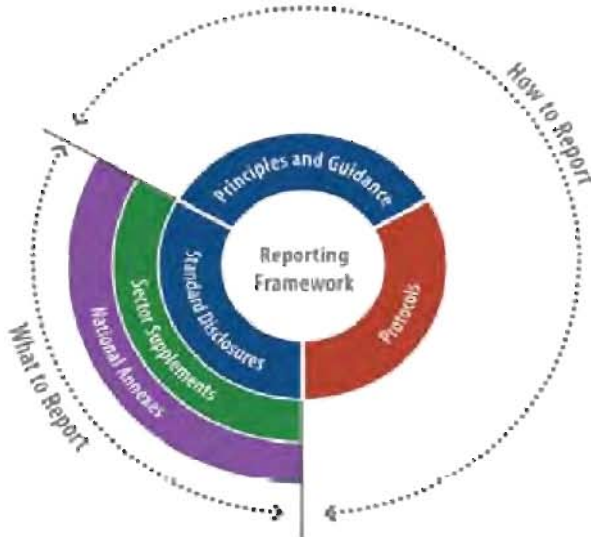
Our Hon'ble Chairman Mr. Kazi Akram Uddin Ahmed accompanied by his son Mr. Kazi Khurram Ahmed is paying a courtesy call to our Hon'ble Prime Minister at the Gonobhaban.



Our Hon'ble Chairman Mr. Kazi Akram Uddin Ahmed along with Managing Director, Deputy Managing Director and other senior officials is handing over Cheque for CSR purpose at Head Office premises.

Comparing performance within an organization and between different organizations over time.

Government's Initiatives: The government can be a catalyst for ensuring speedy adoption of sustainability through policy initiatives immediately pave the way for sustainable society committed to sustainable development.



The followings are the recommendations to move forward on sustainability reporting:

Capacity building: There is an urgent need to develop in house capabilities, as mitigation strategies are implemented. Now, the educational institutions are expected to customize their programs to include sustainability as a discipline and Bangladesh should focus on industry-university linkages to develop an institutionalized knowledge base.

Industry commitment: Industry has to demonstrate a long term commitment both at a strategic and operational level to sustainable business practices. This is essential for them to realize the potential benefits as they refine their business process and merits for performance measurement and success.

Increasing awareness: Awareness building initiatives need to be undertaken for various stakeholder communities, both at the firm level as well as sector level. This would lead to useful stakeholder engagement and strategic commitment of the top management, making sustainability an imperative and ensuring reliable and transparent disclosures.

Synchronizing reporting guideline with local conditions: It is very sensitive to describe materiality disclosure including some other indicators of the company as per GRI guidelines within the present local corporate structure in Bangladesh. It requires synchronization in Bangladesh's context based on GRI framework, which is globally acceptable framework, in all sectors including small and medium enterprises.

Civil society: It is well accepted that the competitiveness of a company and the well being of the communities around it are inseparable. A Successful Communities can create demand for products and can also provide a supportive environment to business. Sustainability operating is being emerged as a common practice of 21st century business. Where once sustainability disclosure was the province of a few unusually green or community-oriented companies, today it is the best practice employed by companies worldwide. A focus on sustainability helps organizations manage their social & environmental impacts and improve operating efficiency and natural resources stewardship, and it remains a vital component of share holder, employee and stake holder relations, Peter F, Drucker-a writer, professor and management consultant told, " what you can't measure, you cannot manage. What you can't manage, you cannot change". Sustainability reporting is therefore a vital step for managing change towards a sustainable global economy- one that companies long term profitability measuring social justice and environment care and a dedicated sustainability report is a reflection of company's commitment to the issue of sustainability, which helps companies and their stockholders identify comprehensive reference point for reporting, thereby aligning many of their CSR initiatives with goals that can be measured and monitored.

No species has altered the Earth's natural landscape the way humans have. Our impact is so extensive that we are crossing into a new geologic epoch-the Anthropocene-propelled by human behavior. Global climate change mass extinction and over exploitation of our global commons are all examples of the ways in which humans have altered the natural landscape. Our

growing population, coupled with rising affluence and per capita impact, is driving our planet closer to its tripping point. With population expected to 9.5 billion by 2050, many wonder if our natural resources can keep up with our growing demands.

Ecological foot print is a measurement of the anthropogenic impact on earth. It tracks how much bio-capacity (biological capacity) there is and how much bio-capacity people use by comparing the rate at which we consume natural resources and generate waste to the planet's ability to replenish those resources and absorb waste. Today, our global foot point is in overshoot. It would take 1.5 Earths to sustain our current population. If current trends continue, we will reach 3 Earths by the year 2050.

Our planet does not have the bio-capacity to sustain our current levels of growth and resource corruption. So, what can be done to minimize our collective impact on the environment is improving technology, slowing population growth and changing global culture. Change must come from a combination of all three. Adopting human-centered initiatives targeted at addressing both population growth and consumption habits, ranging from the individual to trans-national level, are our best hope for achieving a sustainable future.

OUR VISION

To be the best Private Commercial Bank in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.

OUR MISSION

To build Standard Bank Limited into an effective, market driven, customer focused institution with good corporate governance structure. Continuous improvement of our business policies, procedure and efficiency through integration of technology at all levels.

OUR CORE VALUES

Deliver

We deliver high standards for our customers, clients and share holders. We share a portion for serving the financial needs of people, companies and institutional investors.

Commitment

We are fully committed to achieving success for our customer, our teams and ourselves through compliance of regarding guidelines.

Trust

We have front in our team. We work together to deliver the full capabilities of our Bank to all our constitutions. We strive to be consistent and straight forward in our interactions.

Succeed

We know we succeed only when our customers communities and environment succeed. We do business in an open, direct and sustainable way.

SUSTAINABILITY



ENVIRONMENT RELATED INITIATIVES

GREEN BANKING

Bangladesh is one of the emerging economies of the world and has witnessed rapid industrial growth over the last two decades that has contributed significantly to the rise in the country's GDP. On the other hand, we are vulnerable to risks related to environmental pollution and climate impacts in the form of natural & man-made disaster. Some of the common environmental & social concerns include land degradation, water pollution and scarcity, air pollution, biodiversity resources and impacts of natural disasters. Rapid population growth, improper use of land, poor resource management and uncontrolled discharge of pollutants are the major causes. Bangladesh is one of the most climate change vulnerable countries and floods, tropical cyclones, storm, surges, drought are likely to become more frequent and severe in the coming years. We need to protect our financing from the risks arising out of the deteriorating environment scenario and climate change. All these issues have significant adverse impacts on human health. Severe health outbreaks, ground water depletion, rapid degradation of natural habitat arising out of these irresponsible business practices activities pose significant threat to the continuity of these business activities, which in turn will adversely impact the loan portfolio of the banks if we invest in these activities without taking into account mitigation of these environment issues. As per conversation of environment and Sustainable Development Goals and social protection, credit operations of banks must be conducted by addressing of environmental and social issues through Environmental and Social Risk Management. Bangladesh Bank advised to banks/financial institutions to finance eco-friendly products/initiatives to make eco-friendly finance more familiar to the all stakeholders including clients and banks/financial institutions as well as to facilitate for implementing various development plans of Bangladesh Govt. such as Perspective Plan of Bangladesh: 2010-2021, National Sustainable Development Strategy 2016-2030, Seventh Five Years Development Plan and Sustainable Development Goals (SDG).

GREEN VISION OF THE CENTRAL BANK

Recent development in green banking initiatives conveys much significance. Bangladesh Bank has selected 52 nos. green products/initiatives under Bangladesh Bank refinance scheme in which we find 08 sectors & 06 sub-sectors with 18 nos. Products/initiative under Renewable Energy, 07 nos. Products/initiative under Efficient Energy, 11 nos. under Waste Management, 07 nos. under Recycling & production of Recyclable products, 01 no.

Alternative Energy, 03 nos. under Non-fire Block Brick Project, 02 nos. under Environment-Friendly Construction & 03 nos. under others for Green financing. 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 revolving fund of BDT.200 Crore has been put in place for lending under refinance scheme 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 Plant, 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 LIMITED ON THE ROAD TO GREEN BANKING

Apprehended the importance of Green Banking and Policy Guideline from Bangladesh Bank, Standard Bank Limited has formulated Product Program Guideline for Green finance. Standard Bank has established a separate Sustainable Finance Division. The Green Banking products specified by Bangladesh Bank can directly or indirectly contribute to the reduction of carbon emissions. In 2018, Standard Bank Limited financed BDT.1,490.18 million in ETP, Bio-gas and other renewable energy projects. At the end of the year outstanding amount of refinancing facilities got from Bangladesh Bank stood at BDT.38.80 million.

GREEN BANKING REPORT 2018:

A.	Introducing Green Finance	Total		Remarks
		No. of Projects	Amount (Million)	
1	Effluent Treatment Plant (Project Finance Having ETP)	0	0	
2	Bio-gas Plant	0	0	
3	Solar Panel/Renewal Energy Plant	0	0	
4	Hybrid Hoffman Kiln (Brick Fired)	1	20.00	
5	Green Finance at reduced rate of interest	0	0	
Total		1	20.00	
B. Online Banking				
1	No. of ATMs (own ATM & CDM)	105(103+2)		
2	Shared ATMs (NPSB Network)	All over Bangladesh (50 Banks connected with NPSB)		
3	No. of Branches with online coverage	134		
4	No. of total accounts transaction through ADC Channel	7,16,047		
5	No. of accounts facilitated with internet Banking	8,663		
6	No. of accounts facilitated with SMS Banking	4,97,375		
7	No. of accounts facilitated with Mobile Banking	1079		
C. Awareness Building				
1	Training Programmes on Green Banking (In-house)	02		
2	Participants in the training	70		
D. Disclosure				
	Website	Uploaded on the website on the onset upto 2018		
	Annual Report	Green Banking Focus provided in Annual Report 2015, 2016, 2017 & 2018		
	Preparation of Green Banking & Sustainability Report	Yes		
E. Sector Specific Environment Policy				
	Formulation of Sector Specific Environment Policy	Not yet formulated		
F. Under phase				
1	Green Strategic Planning	Yes		
2	Formulation of Bank's Specific Environment Risk Management Plan & Guideline	Yes		

ENVIRONMENTAL & SOCIAL OBLIGATIONS

IN-HOUSE 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
- 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 since 2016. SBL assess total 54 nos of Projects, under EnvRR guideline of which 45 project rating as Low category, 09 projects rated as Moderate category, SBL Financed under Rated project 2122.97 Million in 2017 & outstanding of those A/Cs are 1698.37 Million as on 31 December 2017.

Agriculture/Rural Credit:

It is matter of joy that Bangladesh is finally going to be recognized as developing country, crossing over from the list of least developed countries (LDCs) after being assessed by the United Nations Economic and Social Council with the slogan—অর্থতিরোমা অর্থশ্রাম বাংলাদেশ. Agriculture is playing key role to achieve the goal. Agriculture is the process of producing food, fiber and many other products by the cultivation of certain crops and rearing of domestic animals (livestock). Agriculture can help to reduce the poverty by raising income and improving food security. Agriculture is the largest employment sector in Bangladesh. Approximately 30% of Bangladesh's GDP (Gross Domestic Product) comes from agriculture and also the 60% of total work force deployed in this sector. Bangladesh is securing average a GDP growth of 7.50% in last couple of years that has been largely driven by its exports of readymade garments, remittances and the domestic agriculture sector. Bangladesh is the fourth largest country in producing fresh water fish and rice in the world.

Many initiatives have been taken by the Bangladesh Bank with the whole hearted support of Government of Bangladesh to nourish and progress the agricultural sector. Bangladeshi Scheduled Bank are financing for marginal and small farmers who have not enough resource to invest in agriculture by adhering the 'Agricultural and Rural Credit Policy and Program' formulated by Bangladesh Bank in every fiscal year.

Standard Bank Limited is trying it's best to become the part of the development of Bangladesh. The trend of achieving target fixed by Bangladesh Bank is the

reflection of close attention of Standard Bank Limited. We are very enchanted to poster that our bank achieved the target set by Bangladesh Bank in the last consecutive five fiscal years (FY:2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018). We already achieved 82.62% (Tk.188.38 crore) of total target within the period from July'18 to Dec'18 against total target Tk.228.00 crore set

by Bangladesh Bank for FY: July 2018- June 2019. It may be mentionable here that the Governor of Bangladesh Bank appreciated our Bank by awarding "Letter of appreciation" for achieving disbursement target under Agri/Rural credit in the fiscal year 2013-2014 & 2014-2015.



Mr. Mamun-Ur-Rashid, Managing Director & CEO, SBL is in the meeting at Bangladesh Bank wherein Standard Bank Limited has been awarded by a 'Letter of Appreciation' for achieving the fixed target set by Bangladesh Bank of Agriculture Credit for the FY 2014-2015.

Standard Bank Limited has set up a separate division with the following officials and executives under a senior executive for managing the agriculture credit portfolio in Head Office.



The Team - Agriculture & Rural Credit Division, Standard Bank Limited, Head Office, Dhaka.

The Honorable Board of Directors and Management of Standard Bank Limited have been showing citable eagerness any issue related to Agriculture and Rural Credit Division to ensure agricultural productivity. It may be mentioned here that the Honorable Chairman of Standard Bank Limited has emphasized to disburse Agriculture & Rural Credit through own network instead of MFI/NGOs Linkage. To boost up finance through own network, as per permission of the Honorable Board of Directors of the Bank, forty seven nos. of contractual employees-"Customer Relationship Officers" are working

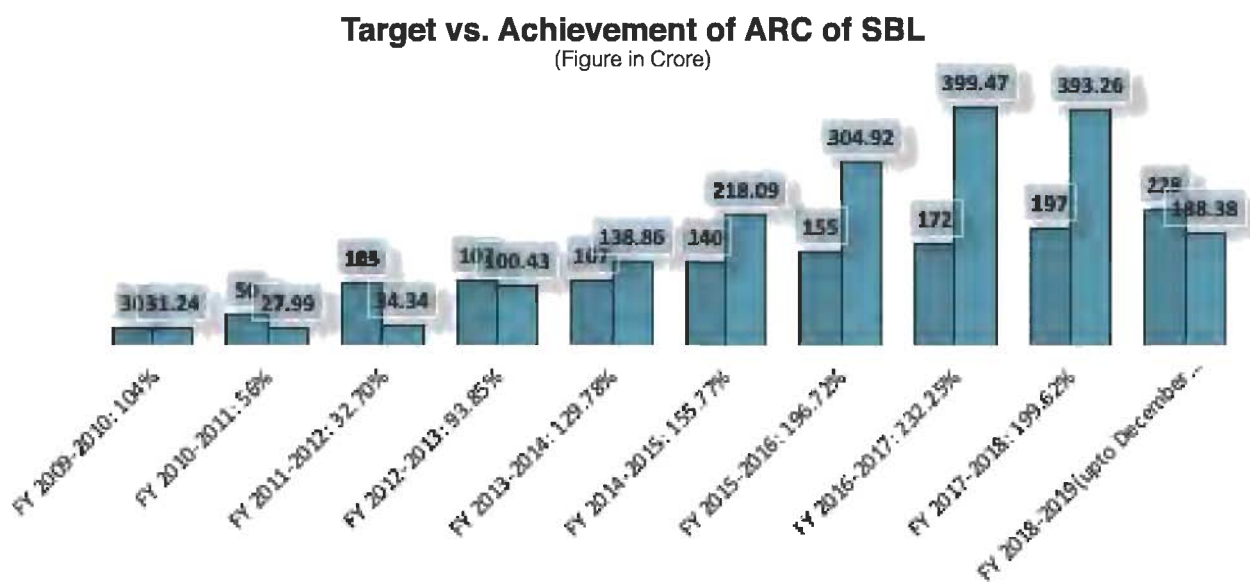
in the rural Branches for this purposes. These Officers are involved in selecting right borrowers, securing finance to genuine farmers & to recovery of given loans under Agriculture program in rural areas.

AGRICULTURAL AND RURAL CREDIT PERFORMANCE:

In Million

Fiscal Year	Target	Performance	Achievement %
2009-2010	300	312	104%
2010-2011	500	279	56%
2011-2012	1050	343	32.70%
2012-2013	1070	1004	93.85%
2013-2014	1070	1388	129.78%
2014-2015	1400	2180	155.77%
2015-2016	1550	3049	196.72%
2016-2017	1720	3994	232.25%
2017-2018	1970	3932	199.62%
2018-2019 (up to December 31, 2018)	2280	1883	82.60%

Graphical representation of Agricultural and Rural Credit Performance from FY 2009-2010 to 2018-2019 (31 December 2018):



Graphical representation of Agricultural and Rural Credit disbursement in the year 2018:

AGRICULTURE PROJECTS UNDER SBL OWN FINANCING:



New Jamuna Shrimp Hatchery & Culture, at Kallbari Bazar, Burigoalini, Munshigonj, Shayamnagar, Satkhira, a Shrimp Seeds (Bagda) Hatchery project under Agricultural finance of Standard Bank Limited, Khulna Branch, Khulna



Haider Hatchery & Fish Culture, at Dhopakhali, Shonirjor, Dist.: Bagerhat, a Shrimp (Bagda) Hatchery project under Agricultural finance of Standard Bank Limited, Bagerhat Branch, Bagerhat .



M/S. Kamal Motsho Khamar, at Uttar Ramkola, Beltoli, Sadar, Nilphamari. a Fishery project under Agriculture finance of Standard Bank Limited, Nilphamari , Nilphamari.



M/s. Shah Afjal Commercial Farms, at East Kolagaon, PO-Charkhanai, PS- Patiya, Dist- Chattogram., a Poultry Farm under Agriculture finance of Standard Bank Limited, Karnaphuli Branch , Chattogram.



M/s. Nazrul Poultry, 01 no South Pahartali, Fatehabad, Hathazari, Chattogram, a Poultry Farm under Agriculture finance of Standard Bank Limited, Chowdhuryhat Branch, Chattogram.

| STAKEHOLDERS' INFORMATION |



Mr. Ujjal Kumar Roy, a borrower of SBL, under Standard Sonali Fasal (Crops), Agriculture finance of Standard Bank Limited, Dinajpur Branch, Dinajpur.



M/s. Mimima Dairy Farm, at Uttar Gosaipur, Sadar, Dinajpur, a Dairy Farm under Agriculture finance of Standard Bank Limited, Dinajpur Branch, Dinajpur.

• **Agriculture loan disbursement through Own Capacity & NGOs:**

FY	Own Capacity	NGOs	Total
Fiscal Year 2017-2018	Tk.50.64 Crore	Tk.342.61 Crore	Tk.393.26 Crore
FY 2018-2019 (from July to December, 2018)	Tk.23.19 Crore	Tk.165.19 Crore	Tk.188.38 Crore

• **Special Priority Sector (Crops : Pulses, Maize, Oilseeds, Spices, etc.) at 4% Subsidized Interest Rate with 5% Compensation of Bangladesh Bank**

Fiscal Year	Target	Achievement	% of Achievement
Fiscal Year 2017-2018	Tk.45.00 Lac	Tk.13.50 Lac	30.00%
FY 2018-2019 (Achievement up to December, 2018)	Tk.67.50 Lac	Tk.4.90 Lac	7.26%

MFIs/NGOs Linkage:

Micro Finance Institutions (MFIs)/Non-Government Organizations (NGOs) play a significant role in association with Banks for the alleviation poverty in rural area of Bangladesh. Considering the limited coverage areas of Bank's Branches & to ensure the finance under Agriculture sector, these MFIs/NGOs work as media to reach the borrowers at remote territory. Standard Bank Limited has financed a substantial amount under NGO linkage credit program. Name of some MFIs/NGOs disbursed Loan in Agriculture sector in 2018 financed by Standard Bank Limited are as follows:

- | | |
|--|---|
| 1. Aungkur Palli Unnayan Kendra | 10. Village Education Resource Center (VERC) |
| 2. Bangladesh Extension Education Services (BEES) | 11. Grameen Manobik Unnayan Sangstha |
| 3. Ulashi Sreejony Sangha | 12. ANTA Society for Development |
| 4. Shishu Niloy Foundation (SNF) | 13. People's Oriented Program Implementation (POPI) |
| 5. Society for Social Advancement of Rural People | 14. ARS-Bangladesh |
| 6. Development Organization of the Rural Poor (DORP) | 15. Padakhep Manabik Unnayan Kendra |
| 7. AID Foundation | 16. Proyas Manobik Unnayan Society |
| 8. Ambala Foundation | 17. Samannita Jonokallyan Kendra (SJK) |
| 9. Manabik Sahajya Sangstha | 18. UDOY |

- | | |
|--|--|
| 19. Social Advancement Through Unity (SATU) | 28. Christian Service Society (CSS) |
| 20. Samajik Seba Shonghothon (SSS) | 29. Dak Diye Jai |
| 21. Socio Economic Backing Association (SEBA) | 30. Village Association for Social Development (VASD) |
| 22. Shakti Foundation for Disadvantaged Women | 31. Association for Advancement & Development (ADD) |
| 23. Bangladesh Association for Social Advancement (BASA) | 32. Rural Health Education and Credit Organization (RHECO) |
| 24. Gana Unnayan Kendra (GUK) | 33. Development Activities of Society (DAS) |
| 25. National Development Programme (NDP) | 34. United Social Human Advancement |
| 26. Ananyo Samaj Kallyan Sangostha (ASKS) | 35. Socio Economic Health Education Organization (SEHEO) |
| 27. Association for Socio Economic Advancement of Bangladesh (ASEAB) | |

FINANCING UNDER AGRICULTURE SECTOR THROUGH MFIS/NGOS UNDER SBL:



AID Foundation, an NGO of Bangladesh & a Borrower of SBL, Kushtia Branch.



Field visit (Jhenaidah & Kustia) of Socio Economic Health Education Organization (SEHEO), an NGO of Bangladesh & a Borrower of SBL, Gulshan-1 Branch, Dhaka, conducted by -Mr. Mohammad Idrich, AVP and Mamun Talukder, Officer of ARCD, SBL HO.

FINANCIAL INCLUSION:

Partnership Agreement for disbursement of Tk. 10.00 Crore under Refinance Scheme under Financial inclusion program of 10 Taka account holder between Bangladesh Bank & Standard Bank Limited was signed on 21st August 2014, for financing in small/marginal/landless farmer, poor income generating people, affected people by natural disaster & marginal/small business. Standard Bank Limited financed total amount of BDT 56.67 million under this program among total 1232 nos. (Male: 897 nos. & Female: 335 nos.) of clients. In this year-2018, total financed amount is BDT 11.34 million among total 229 nos. of individual (Male: 185 nos. & Female: 44 nos.).



Delivering speech on Financial Inclusion by Private Banking in Bangladesh as a keynote speaker at Hitotsubashi University, Tokyo, Japan



With participants at Hitotsubashi University, Tokyo, Japan

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

CSR is about (i) taking stock of the economic, social and environmental impacts of the business, (ii) mitigating the negative impact and bolstering the benign impacts (iii) taking up action programs and community investment to reduce social exclusion and inequality and to address the key sustainable development challenges.

In line with the conformity SBL involves in various activities apart from usual banking. As guided by Bangladesh Bank, Standard Bank Ltd. has enthused itself into a broad range of direct and indirect CSR engagements including advancement of education for all the poor and underprivileged community, preventive and curative health support for the under privileged population segment, humanitarian relief and disaster response including Rohingyas, widening of greening initiatives arresting environmental degradation and so forth. The endowment of Standard Bank Foundation has grown to a significant size since its inception in 2010. Standard Bank takes part 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 disasters, preserve the art & culture of the country and address human sufferings arising out of different causes are some of the important areas where SBL has been carrying out its social and philanthropic representation.

Summary of CSR contribution during the year 2018 is here in under

SL No.	Sectors/Initiatives (Social project + Community Investment)	2018	
		Budget	Actual
01	Education	4.50	0.44
02	Health	3.00	0.08
03	Disaster Management	4.90	10.21
04	Environment	1.50	0.00
05	Cultural Welfare	0.55	0.59
06	Infrastructure improvement in remote/underprivileged area	0.12	0.00
07	Income generating activities for the underprivileged Population	0.20	0.00
08	Others	0.23	0.16
	Total	15.00	11.48

SOME OF THE CSR ACTIVITIES OF SBL IN 2018

Investment in Education

Standard Bank Ltd. stands besides the meritorious students of low income family in reputed academic and vocational training institutions by granting scholarships/stipends. We also support for upgrading of facilities in academic and vocational training institutions subsequently engaged with students and trainees from the under privileged rural & urban population.

Our commitment to education helps the poor and meritorious students to discover their potentiality in the area of academic development. Recognizing education as a focus area of the bank's CSR activities, the bank has donated BDT.1.20 million in the focus of scholarship/stipend to the poor and meritorious students and expensed BDT.3.20 million for education sector in social intervention and supplementing initiatives to the community in the year 2018.



Standard Bank Ltd. donates a Microbus purchasing of BDT.3.10 million for disable students of Kallayani Inclusive School which is operated by Bangladesh Pratibandhi Foundation.

Health Care

Preventive and curative healthcare support for underprivileged people the next aim of Standard Bank's CSR initiatives. Supporting in this regard are direct grants i.e, incurring the costs of curative treatment of patients, costs of existing service rendering hospitals/diagnostic centres, costs of preventive public health and hygiene initiatives like provision of pure drinking water, hygienic toilet facilities etc. for poor and floating population.

In the year 2018 the bank has expensed BDT.0.80 million under Health sector in curative treatment of individual

patient.

Disaster Management

Disaster management is a collective term encompassing all aspects of planning for and responding to emergencies and disasters, including both pre-and post-event activities. It refers to the management of both the risk and the consequences of an event. It is also a systematic process aimed at reducing the negative impact and/or consequences of adverse events.

Donation to Honorable Prime Minister's Relief and Welfare Fund.

Standard Bank Ltd. donates BDT.50.00 million to Honorable Prime Minister's Relief and Welfare Fund in 2018.



Distribution of Blankets.

Standard Bank Ltd. distributed 1,01,354(+/-) blankets among winter-affected people in the country for the year of 2018 with the initiatives of Standard Bank Ltd.

Donation of Blankets to Hon'ble prime minister relief Fund

As a part of Corporate Social Responsibility (CSR), Standard Bank is distributing blankets among the distressed people of cold stricken areas in Bangladesh every year. In the year 2018, Bank donated 60,000 blankets to Hon'ble Prime Minister's Relief Fund for winter-affected people in the country.

Art, Cultural Welfare and Sports

Art is a creative work generally, or its principles; the marking or doing to things that have form and beauty: art includes painting, sculpture, architecture, music, literature, drama, dance etc. Culture is among other things, the products of the training and refining of the mind, emotions, manners, tasks etc. Art and culture plays an important role for development of a nation. Standard Bank always promotes Bangladeshi art & culture. During the year 2018 the Bank contributes BDT. 5.36 millions for some creative activities of Ministry of Cultural Affairs.

Others CSR activities

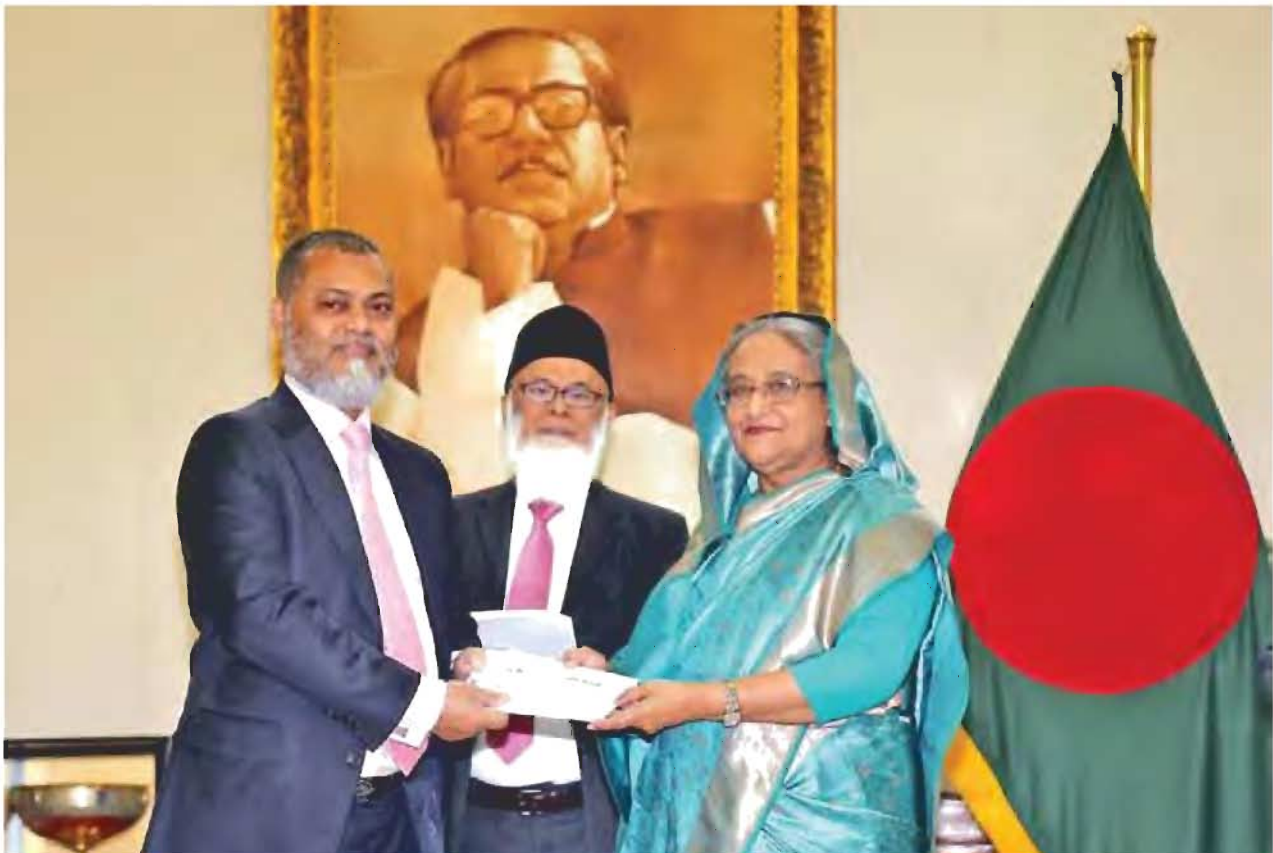
Since its inception Standard Bank takes a move to promote humanity, moral values and patriotism as well as for well being of society and country. During the year 2018, bank donates BDT.1.60 million to individuals for assisting education, treatment etc. and operating Day Care Centre.

FINANCIAL INCLUSION THROUGH FINANCIAL LITERACY

Standard Bank emphasis for financial inclusion especially among the students and street children towards educate them about financial literacy. We have arranged/ participated many School Banking Conferences/Fairs all over the country in the year 2018 under the supervision of Bangladesh Bank for making familiar the students, teachers and guardians about school banking and financial literacy. Standard Bank opens the accounts of students (Rising Star). There are 4,770 no. school banking accounts are running with credit balance BDT.5.47 crore as on 31st December 2018. Among these 2,786 male students accounts and 1,984 female students accounts are running with credit balance BDT.2.88 crore and BDT.2.59 crore respectively.

Without its Partnership Agreement for disbursement of Tk.10.00 Crore under Refinance Scheme under Financial Inclusion Program of 10 Taka account holder between Bangladesh Bank & Standard Bank Limited was signed on 21st August 2014 for financing in small/marginal/ landless farmer, poor income generating people, affected people by natural disaster & marginal/small business. Standard Bank Limited financed total amount of Tk.56.67 million under this program among total 1232 nos. (Male 897 nos. & 335 nos.) of clients. In this year total financed amount is Tk.11.34 million among total 229 nos. of individual (185 nos. Male & 44 nos. Female).







INTEGRATED REPORTING

Integrated reporting is a process that results in communication to its stakeholders about value creation by the Company over the period of time. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term. It means the integrated representation of a company's performance in terms of both financial and other value relevant information.

We face a time of substantial and all encompassing change. Amid the excitement and managing great change we are careful about the success of our clients and the trust and support of our stakeholders, strengthening our commercial sustainability. Annual Report for the year 2018 of Standard Bank Limited has been presented as an 'Integrated Report' with the aim to utter how Standard Bank Limited, as a growing organization, has effectively managed its business to deliver consistent value to its stakeholders. It incorporates 'efforts' the company has undertaken towards contributing towards economic prosperity, environmental sustainability and social wellbeing for a brighter future.

Our 2018 annual integrated report covers the period between 1st January 2018 and 31 December 2018. All materials that matters, up to group board of directors (Board) approval on 25 April 2018, are included here. The annual integrated report reflects operations of Standard Bank Limited and its subsidiaries. Unless indicated otherwise, all data pertains to the group, which includes our financial operations and subsidiaries. In presenting the Annual Integrated Report, we have consistently followed the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is

in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC). In explaining the Company's operations and financial performance, financial information has been extracted from the Audited Financial Statements for the year ended 31 December 2018 with relevant comparative information. The financial statements consistently comply with the requirements of:

- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs),
- Relevant rules & regulations of Bangladesh Bank (The Central Bank);
- Companies Act 1994;
- Bank Companies Act 1991 (Amended upto 2013) ;
- Securities and Exchange Rules 1987;
- The Income Tax Ordinance 1984;
- and other applicable laws and regulations of the land

The Sustainability requirements, as elaborated separately in our Sustainability Report, adhere to the guidelines issued by the Global Reporting Initiative (GRI)-G4 Framework. To report our corporate governance practices, we have followed the revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission (BSEC). The scope of our Annual Report

comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as we do not have operation or subsidiary in other countries.

Our annual integrated report aims to present a balanced and concise analysis of our strategy, performance, governance and prospects. In determining the content to be included in this report, we considered the issues that are material to maintain the commercial viability and social relevance required to achieve our vision in the medium term. We show the process of determining material issues as a business tool that facilitates integrated thinking. The materiality determination process undertaken in 2018 complemented our day to-day stakeholder engagements, going beyond these engagements

We show the process of determining material issues as a business tool that facilitates integrated thinking. The materiality determination process undertaken in 2018 complemented our day to-day stakeholder engagements, going beyond these engagements and placing particular emphasis on aspects that are likely to influence the social, economic and physical environments in which we operate. Based on our leadership engagement, governance processes and our formal and informal stakeholder engagement initiatives, particularly with investors, we are confident that all material matters have been identified and disclosed in this report. Management of group functions and the business units approved the relevant content in the annual integrated report.

External Assurance

Sl.	Particulars	Increase/(decrease) in percentage
1	Consolidated and Separate Financial Statements of Standard Bank Limited	Khan Wahab Shafique Rahman & Co. Chartered Accountants
2	Financial Statements of Standard Bank Limited	Khan Wahab Shafique Rahman & Co. Chartered Accountants
3	Financial Statements of Standard Bank Capital Management Limited	Khan Wahab Shafique Rahman & Co. Chartered Accountants
4	Financial Statements of Standard Exchange (UK) Limited	Jahan & Co. Chartered Management Accountants
5	Financial Statements of Standard Co (USA) Inc	United Financial CPA,PC
6	Corporate Governance	Saifur Enayet & Associates
7	Financial Statements of Standard Bank Foundation	Khan Wahab Shafique Rahman & Co. Chartered Accountants
8	Provident Fund	Khan Wahab Shafique Rahman & Co. Chartered Accountants

Sl.	Particulars	Increase/(decrease) in percentage
9	Gratuity Fund	Khan Wahab Shafique Rahman & Co. Chartered Accountants
10	Welfare Fund	Khan Wahab Shafique Rahman & Co. Chartered Accountants
11	IT Security compliance & Gap review	Khan Wahab Shafique Rahman & Co. Chartered Accountants

The Management as well as Managing Director of Standard Bank Limited acknowledges the responsibility to ensure the integrity of the disclosure contained in the Integrated Report presented herewith that comprises the discussion and analysis, disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. In his opinion, the integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international integrated reporting framework and addresses all material issues and fairly presents the group's integrated performance.

The background features a complex network of grey lines connecting various nodes. Several large, semi-transparent circles in different colors (red, orange, teal, green, white) are scattered across the network. Some of these circles contain icons: a globe, a house, a person, and a gear. The overall aesthetic is modern and data-oriented.

FINANCIAL INFORMATION

Drill
Down



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF STANDARD BANK LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated financial statements of Standard Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Standard Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2018 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2018, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in notes 2.18

BASIS FOR OPINION

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Bank reported total loans and advances of BDT 146,060,787,593 (2017: BDT 128,228,164,168) and provision for Loans and Advances of BDT 3,426,931,827 (2017: BDT 3,232,453,749). We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates;</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for investment portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p>See note No. 07 and 12.2 to the financial statements</p>	
Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>At the year end the Bank reported total T-bill BDT 0 and T-bond BDT 20,688,216,986.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> <p>Completeness and timing of recognition of value and amortization events in accordance with criteria DOS Circular No. 05;</p>	<p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note No. 06 (a) to the financial statements</p>	

Measurement of deferred tax liabilities

The Bank reports net deferred tax liabilities to totaling BDT 85,856,347 as at 31 December 2018.

Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Group's future taxable income.

We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.

We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.

Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

See note No. 12.1 (i) to the financial statements

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

See note No. 10 to the financial statements

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AND INTERNAL CONTROLS

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2.18, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) financial statements of Standard Bank Limited's subsidiaries namely, Standard Bank Securities Ltd., SBL Capital Management Ltd have been audited by Khan Wahab Shafique Rahman & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) 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;
- (ix) adequate provisions have been made for loans and advances which are, in our opinion doubtful of recovery, off-balance sheet items, other assets, gratuity and investment in shares in line with the Bangladesh Bank Letter No: DBI-1/111/2019-902 Dated: 23/04/2019.
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,800 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka: 25 April, 2019



Sheikh Zahidul Islam FCA, MBA

For and on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Standard Bank Limited & Its Subsidiaries

CONSOLIDATED BALANCE SHEET

As at 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
PROPERTY & ASSETS			
CASH	3(a)	9,684,803,652	9,756,310,974
Cash in Hand (including foreign currencies)		1,546,002,400	1,208,616,155
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		8,138,801,252	8,547,694,819
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4(a)	1,652,918,892	3,220,235,533
In Bangladesh		1,545,252,271	2,766,411,469
Outside Bangladesh		107,666,621	453,824,064
MONEY AT CALL AND ON SHORT NOTICE	5	150,000,000	450,000,000
INVESTMENTS	6(a)	24,613,659,358	20,234,194,116
Government		20,723,153,286	16,276,132,131
Others		3,890,506,072	3,958,061,985
LOANS AND ADVANCES / INVESTMENTS	7(a)	146,060,787,593	128,228,164,168
Loans, Cash Credits, Over Draft etc./ Investments		141,262,162,448	124,905,127,508
Bills Purchased and Discounted		4,798,625,145	3,323,036,660
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES	8(a)	3,717,765,034	3,689,716,206
OTHER ASSETS	9(a)	11,268,131,358	10,120,491,387
NON-BANKING ASSETS		-	-
TOTAL ASSETS		197,148,065,887	175,699,112,385
LIABILITIES & CAPITAL			
LIABILITIES			
Borrowings from other banks, financial Institutions and agents	10(a)	12,092,284,525	13,424,534,006
DEPOSITS AND OTHER ACCOUNTS	11(a)	154,960,700,212	134,730,686,300
Current / Al-Wadeeah Deposits & Other Deposits		18,116,467,138	17,714,529,882
Bills Payable		2,890,076,248	2,671,530,602
Savings Bank / Mudaraba Savings Deposits		11,086,539,951	10,350,006,851
Short Term Deposits / Mudaraba Short Term Deposits		6,185,200,592	4,758,715,053
Fixed Deposits / Mudaraba Term Deposits		107,826,077,009	90,433,874,209
Deposits Under Schemes / Mudaraba Deposit Schemes		8,856,339,273	8,802,029,703
OTHER LIABILITIES	12(a)	15,278,680,064	14,133,716,578
TOTAL LIABILITIES		182,331,664,801	162,288,936,884
CAPITAL / SHAREHOLDERS' EQUITY			
Paid-up Capital	13	8,709,876,960	7,918,069,970
Statutory Reserve	14(a)	5,016,857,784	4,595,037,104
General Reserve	15	-	-
Revaluation Reserve on Investment	15.1(a)	154,885,294	2,638,743
Surplus in Profit and Loss Account/ Retained earnings	16(a)	934,630,421	894,282,045
TOTAL SHAREHOLDERS' EQUITY		14,816,250,459	13,410,027,862
Minority Interest	16.1(b)	150,628	147,640
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		197,148,065,887	175,699,112,386
Net Asset Value (NAV) per share		17.01	15.40

Standard Bank Limited & It's Subsidiaries

CONSOLIDATED BALANCE SHEET

As at 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
	17(a)		
Acceptances and Endorsements		16,400,147,736	15,969,566,926
Letters of Guarantee		12,728,052,544	10,173,507,297
Irrevocable Letters of Credit		14,166,908,353	11,388,114,825
Bills for Collection		6,146,519,022	4,388,679,552
Other Contingent Liabilities		-	-
TOTAL:		49,441,627,655	41,919,868,600
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		49,441,627,655	41,919,868,600


STANDARD BANK LIMITED | FINANCIAL INFORMATION |

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.

Dated, Dhaka
April 25, 2019


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Standard Bank Limited & Its Subsidiaries

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
Interest Income / Profit on Investment	18.3(a)	14,189,679,073	10,572,364,601
Interest / Profit paid on Deposits & Borrowings etc.	19(a)	10,479,391,400	7,574,841,936
Net Interest / Profit on Investments		3,710,287,673	2,997,522,665
Investment Income	20(a)	1,844,338,779	2,039,086,429
Commission, Exchange Earnings & Brokerage	21(a)	1,137,274,148	1,146,529,192
Other Operating Income	22(a)	452,430,824	333,336,254
		3,434,043,750	3,518,951,875
TOTAL OPERATING INCOME (A)		7,144,331,423	6,516,474,540
Salary & Allowances	23(a)	2,131,595,682	1,874,694,309
Rent, Taxes, Insurance, Electricity etc.	24(a)	616,340,231	511,753,392
Legal Expenses	25(a)	25,066,106	18,390,570
Postage, Stamp, Telecommunication etc.	26(a)	29,826,941	25,141,121
Stationery, Printing, Advertisement etc.	27(a)	98,304,073	81,622,621
Managing Director's salary & fees	28	10,540,000	10,540,000
Directors' Fee & Other benefits	29(a)	8,351,249	10,273,712
Audit Fees	30(a)	885,500	759,000
Charges on loan losses	31(a)	-	-
Depreciation and Repair of Bank's Assets	32(a)	251,595,131	181,802,702
Other Expenses	33(a)	580,432,879	476,542,378
TOTAL OPERATING EXPENSES (B)		3,752,937,792	3,191,519,804
Profit / (Loss) Before Provision (C) = (A - B)		3,391,393,631	3,324,954,736
Provision for Loans/ investments	34(a)		
Specific Provision		1,080,709,816	869,935,406
General Provision		114,006,356	15,811,224
Provision for Off-Balance Sheet items		13,752,400	84,332,622
Provision for diminution in value of investments		15,506,747	6,240,253
Provision for impairment of client margin loan		11,566,137	66,389,725
Other Provision		-	-
Total Provision (D)		1,235,541,456	1,042,709,230
Total Profit / (Loss) before Taxes (E)=(C - D)		2,155,852,175	2,282,245,505
Provision for Taxation	35(a)		
Current Tax		900,304,874	1,043,795,073
Deferred Tax		885,696,085	1,024,522,268
		14,608,789	19,272,805
Net Profit / (Loss) after Taxation :		1,255,547,301	1,238,450,432
Retained earnings brought forward from previous year	16.1(a)	100,903,799	75,709,775
Net Profit available for distribution		1,356,451,101	1,314,160,207
Appropriations :			
Statutory Reserve	14(a)	421,820,680	419,878,162
Proposed Bonus Shares		-	-
Retained Earnings carried forward		934,630,421	894,282,045
Consolidated Earning per Share (EPS):	36(a)	1.44	1.42
Bank Earning per Share (EPS):		1.44	1.29

These financial statements should be read in conjunction with annexed notes


 Managing Director

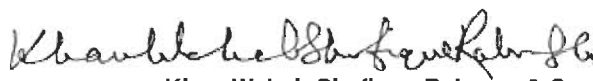

 Director


 Director


 Chairman

See annexed auditors' report to the Shareholders of the date.

 Dated, Dhaka
 April 25, 2019


Khan Wahab Shafique Rahman & Co.
 Chartered Accountants

Standard Bank Limited & Its Subsidiaries

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts in Cash		15,552,596,890	12,051,671,446
Interest payments in Cash		(10,294,722,237)	(7,318,425,588)
Dividend receipts		24,602,475	25,307,503
Fee and commission receipts in Cash		698,382,518	728,874,817
Recoveries on loans previously written off		4,711,961	-
Cash Payments to employees		(2,142,135,682)	(1,885,234,309)
Cash Payments to suppliers		(98,304,073)	(81,622,621)
Income taxes paid		(822,823,558)	(998,566,861)
Receipts from other operating activities	37 (a)	886,588,029	766,853,589
Payments for other operating activities	38 (a)	(1,515,150,065)	(1,096,672,434)
Cash generated from operating activities before changes in operating assets and liabilities		2,293,746,256	2,192,185,542
Increase / (Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase of trading securities		67,555,913	5,874,541,907
Loans and advances to other banks		-	-
Loans and advances to customers		(17,832,623,425)	(23,189,079,148)
Other assets	39(a)	(397,662,256)	(379,931,384)
Deposits from other banks		(840,000,000)	3,550,000,000
Deposits from customers		20,885,344,749	8,370,438,465
Other liabilities account of customers		-	-
Trading liabilities		(1,332,249,481)	4,140,956,802
Other liabilities	40(a)	(499,092,100)	108,634,554
		51,273,401	(1,524,438,805)
Net cash flows from operating activities (A)		2,345,019,657	667,746,737
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-trading securities		-	-
Payments for Purchase of securities		-	-
Purchase of property, plant & equipment		(28,181,632)	(174,132,918)
Sale of property, plant & equipment		220,987	2,887,175
Purchase / sale of subsidiary		-	-
Net cash flow from investing activities (B)		(27,960,645)	(171,245,743)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan capital and debt security		-	4,000,000,000
Received for redemption of loan capital and debt security		(400,000,000)	(400,000,000)
Receipts from issue of ordinary shares		-	-
Dividends paid		-	(377,050,950)
Net cash flow from financing activities (C)		(400,000,000)	3,222,949,050
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		1,917,059,011	3,719,450,044
E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		438,891,630	417,654,375
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		29,700,039,895	25,562,935,476
G) CASH AND CASH EQUIVALENTS AT END OF THE QUARTER (D+E+F)		32,055,990,536	29,700,039,895
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER			
Cash in hand (including foreign currencies)		1,546,002,400	1,208,616,155
Balance with Bangladesh Bank and its agent bank(s)(including foreign currencies)		8,138,801,252	8,547,694,819
Balance with other Banks and financial institutions		1,652,918,892	3,220,235,533
Money at Call and Short Notice		150,000,000	450,000,000
Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment)		20,565,331,692	16,270,031,788
Prize Bonds		2,936,300	3,461,600
		32,055,990,536	29,700,039,895
Net Operating Cash Flows (NOCF) per Share		2.69	0.77

STANDARD BANK LIMITED | FINANCIAL INFORMATION |

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.

Dated, Dhaka
April 25, 2019


Khan Wahab Shafique Rahma & Co.
Chartered Accountants

Standard Bank Limited & It's Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2018

(Amount in Taka)

Particulars	Paid up Capital	Statutory Reserve	Minority Interest	Revaluation gain/loss on Investments	Profit & Loss surplus A/C	Total
Balance as on 1-1-2018	7,918,069,970	4,595,037,104	147,640	2,638,743	894,282,045	13,410,175,502
Prior years adjustment						
Changes in accounting policy	-	-		-	-	-
Restated Balance	7,918,069,970	4,595,037,104	147,640	2,638,743	894,282,045	13,410,175,502
Surplus/Deficit on revaluation of properties	-	-		-	-	-
Adjustment of last year revaluation gain on investments				(2,638,743)		(2,638,743)
Surplus/Deficit on revaluation of investment	-	-		154,885,294	-	154,885,294
Currency translation difference	-	-		-	(1,568,268)	(1,568,268)
Net gains and losses not recognised in the income statement	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	-
Adjustment of last year	-	-	-	-	-	-
Net profit for the period	-	-	-	-	1,255,547,301	1,255,547,301
Dividends (Cash & Bonus shares)	791,806,990	-	-	-	(791,806,990)	-
Minority Interest			2,988		(2,988)	-
Issue of Right Shares	-	-		-	-	-
Appropriation made during the year	-	421,820,680		-	(421,820,680)	-
Balance as on 31.12.2018	8,709,876,960	5,016,857,784	150,628	154,885,294	934,630,421	14,816,401,086
Balance as on 31.12.2017	7,918,069,970	4,595,037,104	147,639	2,638,743	894,282,046	13,410,175,502

These financial statements should be read in conjunction with annexed notes


 Managing Director

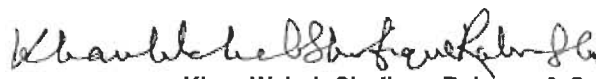

 Director


 Director


 Chairman

See annexed auditors' report to the Shareholders of the date.

 Dated, Dhaka
April 25, 2019


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Standard Bank Limited

BALANCE SHEET

As at 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
PROPERTY & ASSETS			
CASH	3	9,614,825,939	9,695,656,305
Cash in Hand (including foreign currencies)		1,476,024,687	1,147,961,486
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		8,138,801,252	8,547,694,819
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4	1,482,141,108	2,825,222,221
In Bangladesh		1,472,345,127	2,474,338,245
Outside Bangladesh		9,795,981	350,883,976
MONEY AT CALL AND ON SHORT NOTICE	5	150,000,000	450,000,000
INVESTMENTS	6	26,507,165,220	22,002,155,290
Government		20,723,153,286	16,276,132,131
Others		5,784,011,934	5,726,023,159
LOANS AND ADVANCES / INVESTMENTS	7	143,730,469,311	126,138,034,537
Loans, Cash Credits, Over Draft etc./ Investments		138,931,844,166	122,814,997,877
Bills Purchased and Discounted		4,798,625,145	3,323,036,660
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES	8	3,694,362,305	3,663,777,359
OTHER ASSETS	9	10,585,485,864	9,360,256,438
NON-BANKING ASSETS		-	-
TOTAL ASSETS		195,764,449,747	174,135,102,151
LIABILITIES & CAPITAL			
LIABILITIES			
Borrowings from other banks, financial institutions and agents	10	12,023,301,514	13,424,534,006
DEPOSITS AND OTHER ACCOUNTS	11	154,959,246,613	134,708,610,919
Current / Al-Wadeeah Deposits & Other Deposits		18,115,013,540	17,692,454,501
Bills Payable		2,890,076,248	2,671,530,602
Savings Bank / Mudaraba Savings Deposits		11,086,539,951	10,350,006,851
Short Term Deposits / Mudaraba Short Term Deposits		6,185,200,592	4,758,715,053
Fixed Deposits / Mudaraba Term Deposits		107,826,077,009	90,433,874,209
Deposits Under Schemes / Mudaraba Deposit Schemes		8,856,339,273	8,802,029,703
OTHER LIABILITIES	12	13,951,294,565	12,687,326,898
TOTAL LIABILITIES		180,933,842,691	160,820,471,823
CAPITAL / SHAREHOLDERS' EQUITY			
Paid-up Capital	13	8,709,876,960	7,918,069,970
Statutory Reserve	14	5,016,857,784	4,595,037,104
General Reserve	15	-	-
Revaluation Reserve on Investment	15.1	154,885,294	2,638,743
Surplus in Profit and Loss Account/ Retained earnings	16	948,987,017	798,884,512
TOTAL SHAREHOLDERS' EQUITY		14,830,607,055	13,314,630,329
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		195,764,449,747	174,135,102,152
Net Asset Value (NAV) per share		17.03	15.29

Standard Bank Limited

BALANCE SHEET


As at 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances and Endorsements	17.1	16,400,147,736	15,969,566,926
Letters of Guarantee	17.2	12,728,052,544	10,173,507,297
Irrevocable Letters of Credit	17.3	14,166,908,353	11,388,114,825
Bills for Collection	17.4	6,146,519,022	4,388,679,552
Other Contingent Liabilities	17.5	-	-
TOTAL:		49,441,627,655	41,919,868,600
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		49,441,627,655	41,919,868,600

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.

 Dated, Dhaka
 April 25, 2019



Khan Wahab Shafique Rahman & Co.
 Chartered Accountants

Standard Bank Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
Interest Income / Profit on Investment	18	14,202,916,047	10,557,249,848
Interest / Profit paid on Deposits & Borrowings etc.	19	10,479,391,400	7,574,695,794
Net Interest / Net Profit on Investments		3,723,524,647	2,982,554,054
Investment Income	20	1,738,046,891	1,843,908,600
Commission, Exchange Earnings & Brokerage	21	999,881,423	950,140,808
Other Operating Income	22	444,402,452	329,300,519
		3,182,330,766	3,123,349,927
TOTAL OPERATING INCOME (A)		6,905,855,413	6,105,903,981
Salary & Allowances	23	2,059,315,460	1,812,074,323
Rent, Taxes, Insurance, Electricity etc.	24	570,336,818	470,481,785
Legal Expenses	25	20,753,562	14,102,129
Postage, Stamp, Telecommunication etc.	26	27,496,405	22,746,783
Stationery, Printing, Advertisement etc.	27	93,090,436	76,333,597
Managing Director's salary & fees	28	10,540,000	10,540,000
Directors' Fee & Other benefits	29	6,690,564	8,375,718
Audit Fees	30	862,500	759,000
Charges on loan losses	31	-	-
Depreciation and Repair of Bank's Assets	32	245,229,671	174,496,689
Other Expenses	33	553,968,025	446,523,896
TOTAL OPERATING EXPENSES (B)		3,588,283,441	3,036,433,920
Profit / (Loss) Before Provision (C) = (A - B)		3,317,571,972	3,069,470,061
Provision for Loans / Investments	34		
Specific Provision		1,080,709,816	869,935,406
General Provision		114,006,356	15,811,224
Provision for Off-Balance Sheet items		13,752,400	84,332,622
Provision for diminution in value of investments		-	-
Other Provision		-	-
Total Provision (D)		1,208,468,572	970,079,252
Total Profit / (Loss) before Taxes (E) = (C - D)		2,109,103,400	2,099,390,808
Provision for Taxation	35	854,366,775	974,354,892
Current Tax		839,757,986	955,082,087
Deferred Tax		14,608,789	19,272,805
Net Profit / (Loss) after Taxation :		1,254,736,625	1,125,035,916
Retained earnings brought forward	16.1	116,071,072	93,726,758
Net Profit available for distribution		1,370,807,697	1,218,762,674
Appropriations :			
Statutory Reserve		421,820,680	419,878,162
Proposed Bonus Shares		-	-
Retained Earnings carried forward		948,987,017	798,884,512
Earning Per Share (EPS):	36	1.44	1.29

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.



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka
April 25, 2019

CASH FLOW STATEMENT

for the year ended 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
A) CASH FLOW FROM OPERATING ACTIVITIES			
Interest receipts in Cash		15,459,541,975	11,841,378,864
Interest payments in Cash		(10,294,722,237)	(7,318,279,446)
Dividend receipts		24,602,475	25,307,503
Fee and commission receipts in Cash		560,989,793	532,486,433
Recoveries on loans previously written off		4,711,961	-
Cash Payments to employees		(2,069,855,460)	(1,822,614,323)
Cash Payments to suppliers		(93,090,436)	(76,333,597)
Income taxes paid		(807,933,570)	(930,880,081)
Receipts from other operating activities	37	878,559,657	762,817,854
Payments for other operating activities	38	(1,424,459,621)	(1,016,857,189)
Cash generated from operating activities before changes in operating assets and liabilities		2,238,344,536	1,997,026,018
Increase / (Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase of trading securities		(57,988,775)	6,270,826,132
Loans and advances to other banks		-	-
Loans and advances to customers		(17,592,434,774)	(23,481,574,664)
Other assets	39	(475,251,711)	(246,965,484)
Deposits from other banks		(840,000,000)	3,550,000,000
Deposits from customers		20,905,966,531	8,377,255,469
Other liabilities account of customers		-	-
Trading liabilities		(1,401,232,492)	4,157,554,062
Other liabilities	40	127,426,811	(18,653,685)
Net cash flow from operating activities (A)		2,904,830,128	605,467,847
B) CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of non-trading securities		-	-
Payments for Purchase of securities		-	-
Purchase of property, plant & equipment		(218,194,326)	(302,084,248)
Sale of property, plant & equipment		220,987	2,887,175
Purchase / sale of subsidiary		-	-
Net cash flow from investing activities (B)		(217,973,339)	(299,197,073)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Received from issue of loan capital and debt security		-	4,000,000,000
Payments for redemption of loan capital and debt security		(400,000,000)	(400,000,000)
Receipts from issue of ordinary shares		-	-
Dividends paid		-	(377,050,950)
Net Cash flow from financing activities (C)		(400,000,000)	3,222,949,050
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		2,286,856,789	3,529,219,824
E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		438,891,630	417,654,375
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		29,244,371,914	25,297,497,715
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (D+E+F)		31,970,120,333	29,244,371,914
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
Cash in hand (including foreign currencies)		1,476,024,687	1,147,961,486
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		8,138,801,252	8,547,694,819
Balance with other Banks and financial institutions		1,482,141,108	2,825,222,221
Money at Call and Short Notice		150,000,000	450,000,000
Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment)		20,720,216,986	16,270,031,788
Prize Bonds		2,936,300	3,461,600
		31,970,120,333	29,244,371,914
Net Operating Cash Flows (NOCF) per Share		3.34	0.70

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.

 Dated, Dhaka
April 25, 2019


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2018

(Amount in Taka)

Particulars	Paid up Capital	Statutory Reserve	General Reserve	Revaluation gain/loss on investments	Profit & Loss surplus A/C	Total
Balance as on 1-1-2018	7,918,069,970	4,595,037,104	-	2,638,743	798,884,512	13,314,630,329
Changes in accounting policy	-	-	-	-	-	-
Restated Balance	7,918,069,970	4,595,037,104	-	2,638,743	798,884,512	13,314,630,329
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-
Adjustment of last year revaluation gain on investments	-	-	-	(2,638,743)	-	(2,638,743)
Surplus/Deficit on revaluation of investment	-	-	-	154,885,294	-	154,885,294
Currency translation difference	-	-	-	-	-	-
Net gains and losses not recognised in the income statement	-	-	-	-	-	-
Adjustment of last year	-	-	-	-	-	-
Net profit for the period	-	-	-	-	1,254,736,625	1,254,736,625
Dividends from SBL Capital Management Ltd	-	-	-	-	63,995,200	63,995,200
Dividends from SBL Securities Ltd	-	-	-	-	44,998,350	44,998,350
Dividends (Cash & Bonus shares)	791,806,990	-	-	-	(791,806,990)	-
Issue of Right Shares	-	-	-	-	-	-
Appropriation made during the year	-	421,820,680	-	-	(421,820,680)	-
Balance as on 31.12.2018	8,709,876,960	5,016,857,784	-	154,885,294	948,987,017	14,830,607,055
Balance as on 31.12.2017	7,918,069,970	4,595,037,104	-	2,638,743	798,884,512	13,314,630,329


STANDARD BANK LIMITED |
FINANCIAL INFORMATION |

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.

Dated, Dhaka
April 25, 2019


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Standard Bank Limited & It's Subsidiaries

LIQUIDITY STATEMENT (Asset and Liability Maturity Analysis)

for the year ended 31 December 2018

(Amount in Taka)

Particulars	Upto 01 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 Years	Total
Assets:						
Cash in hand	1,476,024,687	-	-	-	-	1,476,024,687
Balance with Bangladesh Bank	294,217,000	-	-	-	7,844,584,252	8,138,801,252
Balance with other banks and financial institutions	1,267,710,983	-	214,430,125	-	-	1,482,141,108
Money at call & on short notice	150,000,000	-	-	-	-	150,000,000
Investment	2,936,300	-	-	432,055,318	26,072,173,602	26,507,165,220
Loans and Advances	16,390,552,145	18,250,280,660	51,257,314,527	45,395,541,952	12,436,780,027	143,730,469,311
Fixed assets including premises, furniture and fixtures	-	-	-	-	3,694,362,305	3,694,362,305
Other assets	115,104,085	2,422,320,884	2,300,727,221	5,747,333,675	-	10,585,485,864
Non-banking assets	-	-	-	-	-	-
Total Assets	19,696,545,199	20,672,601,544	53,772,471,873	51,574,930,945	50,047,900,186	195,764,449,747
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	11,997,028,373	-	-	26,273,141	-	12,023,301,514
Deposits	5,846,715,725	19,451,459,043	42,827,161,918	45,629,747,549	41,204,162,376	154,959,246,613
Other Accounts	-	-	-	-	-	-
Provision and other liabilities	1,154,156,615	39,899,205	300,664,019	4,615,065,914	7,841,508,810	13,951,294,564
Total Liabilities	18,997,900,714	19,491,358,248	43,127,825,937	50,271,086,605	49,045,671,186	180,933,842,690
Net Liquidity Gap	698,644,485	1,181,243,295	10,644,645,936	1,303,844,340	1,002,229,000	14,830,607,056

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.

 Dated, Dhaka
April 25, 2019



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. 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 134 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, collections, issuing guarantees, acceptances and letters of credit.

a) Conventional Banking:

The principal activities of the bank are to provide all kinds of commercial banking services to its respected customers through its branches, SME branches, ATM outlets, Agent Banking outlets and foreign currency Booths.

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' & Digi banking:

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.

SBL DigiBaning is an app based solution which connects customers to bank's core banking system securely so that customer can carry out the transaction 24/7 from anywhere. This documents clearly describes the day to day operational process of SBL DigiBanking System.

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 Exchange 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with "First Schedule" (section 38) of the Bank Companies Act, 1991 (amendment upto 2013) ,International Financial Reporting Standards (IFRSs) 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 IFRSs, the requirements of the Banking Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

i) Basis of Preparation for Financial Statements

IFRSs: As per IAS 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 IAS 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 Methodology: The Financial statements of the Bank are made upto 31 st December 2018 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 IAS/IFRS ,the requirement of Bangladesh Bank have been applied" .

ii) Investments in shares and Securities

IFRS: As per requirements of IFRS 9 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 IFRS 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

IFRS: As per requirement of IFRS 9 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

IFRS: As per IFRS 9 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-standard/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 except bills for collections. Such provision policies are not specifically in line with those prescribed by IAS 39.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 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

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

Bangladesh Bank: Bangladesh Bank 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 IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

viii) Financial guarantees

IFRS: As per IFRS 9, 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

IFRS: 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 derecognized in the sellers book and recognized in the buyer's book.

x) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 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

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14, dated 25 June ,2003, there must exist a face item named Non-banking asset.

xii) Cash flow statement

IFRS: 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, dated 25 June ,2003, cash flow is the combination of direct and indirect methods.

Bank's Methodology: Cash Flow Statement is prepared in accordance with IAS-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)

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

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

xiv) Off-balance sheet items

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

Bangladesh Bank: As per BRPD 14, dated 25 June ,2003 ,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 Methodology: Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. BRPD circular No.7 dated 21 June, 2018 requires a general provision for Off Balance Sheet exposures except bills for collections 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

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June ,2003 hence, it is shown in fixed assets.

xvi) Loans and advances/Investments net of provision

IFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, dated 25 June ,2003 provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

Bank's Methodology: Loans and advances have been shown at gross amounts at 31 December 2018.

xvii) Disclosure of appropriation of profit

IFRS: 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, Offshore Banking Units (OBU) 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 IFRS-10 consolidated and separate financial statements. The consolidated financial statements have been prepared to a common reporting period ending in 31 December, 2018.

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 statements 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 separate Financial Statements are eliminated against the corresponding shares capital of subsidiaries in the consolidated financial statements.

2.3 **Statement of Cash flows**

Statement of cash flows is prepared by using the 'Direct Method' in accordance with IAS 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 calendar year from January 01 to December 31, 2018.

2.5 **Statement of Changes in Equity**

Statement of changes in Equity has been prepared in accordance with IAS 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 satisfaction 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 letters of credit and letters 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 Arth Rin Adalat. These write-offs do not undermine or affect the amount claimed against the borrower by the bank.

The CRD maintains a separate 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 IASic 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 members. 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 2018 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.

Workers Profit Participation Fund (WPPF)

Consistent with the industry practice and in accordance with The Bank Company Act. 1991, no provision has been made for WPPF

2.13 SBL Foundation

The Bank, as part of corporate social responsibility, 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 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 & Debentures	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 IFRS-10 "Consolidated and Separate Financial Statements" and IFRS 3 "Business Combination". Impairment of investment in subsidiaries is made as per the provision of IAS 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:

Particulars	Short term Agri-credit	Consumer Financing			SMEF	Loan to BHs /MBs/ SDs	
		Other than HF & LP	HF	LP			
Unclassified	Standard	1%	5%	1%	2%	0.25%	2%
	SMA	N/A	5%	1%	2%	0.25%	2%
Classified	SS	5%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%

iv) Property, plant and equipment and their depreciation:

Recognition and measurement

Items of fixed assets excluding land are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost/revaluation.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognized in other income/other expenses in profit or loss.

Property, Plant and Equipment are recognized as assets in accordance with Bangladesh Accounting Standards (BAS) 16 "Property Plant and Equipment".

Subsequent costs

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

Depreciation

Depreciation is charged at the rates stated below on all fixed assets on the IASs of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Name of the Assets	Rate of Depreciation	Method of charging depreciation/ amortization
Land	Nil	Not applicable
Building	3%	Straight Line Method
Furniture & Fixtures	10%	Straight Line Method
Office Appliances	20%	Straight Line Method
Computer	20%	Straight Line Method
Software	20%	Straight Line Method
Vehicles	20%	Straight Line Method

v) Intangible Assets

a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will follow to the entity and the cost of the assets can be measured reliably.

b) Software represent the value of computer application software licensed for use of the bank, other then software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses.

c) Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are in customizing the software for its intended use.

d) Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.

e) Software is amortized using the straight line method over the estimated useful life of 5(five) years commencing from the date of the application. Software is available for use over the best estimate of its useful economic life.

vi) Impairment of Assets

The carrying amounts of banks assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount [BAS 36 Impairment of Assets]. No such impairment loss has been arisen and recognized during the year ended 31 December 2018.

vii) Other assets

Other assets include investment in subsidiaries, Membership of DSE & CSE, advance for operating and capital expenditure, stocks of stationery 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.

viii) Contingent asset

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. Contingent asset is not recognized rather disclosed in 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 (IFRS).

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 2018, therefore, has not been recognized as a liability in the balance sheet in accordance with IAS 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. 7 dated 21 June, 2018 and related earlier circulars, the Bank has been maintaining provision @ 1% against off-balance sheet exposures except Bills for Collection.

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 IAS 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 Income Tax Ordinance 1984. Provision for Current Income Tax has been made at the existing rate of 37.50% as prescribed in Finance Act 2018 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 letters 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 IAS 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 fulfillment 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) Asset revaluation reserve

When an assets carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 Property, Plant and Equipment. The Bank also follows the assets revaluation guidelines issued by BSEC on 18 August 2013.

iv) 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.

v) 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.

vi) Retained Earnings

The surplus amount after appropriation of yearly profit, kept in Retained Earnings.

vii) Non controlling(minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Standard Bank Securities Limited & Standard Bank Capital Management Limited , a majority owned subsidiary (99.99%)of Standard Bank Limited is very insignificant. Minority interest belongs to a sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to the minority shareholder.

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

Fees and commission income arises on services provided by the Bank and recognized as and when received basis. Commission charged to customers on letters of credit, letters 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 @ 37.50% 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 IAS 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.

E. OTHERS:

i) Materiality and aggregation:

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.

ii) Offsetting:

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

iii) Earnings per share (EPS):

The company calculates earnings per share (EPS) in accordance with IAS 33 'Earnings Per Share' which has been shown on the face of Profit and Loss Account. Earning Per Share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the year. Details are shown in note 36 to the financial statements.

Basic Earnings per Share:

Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Diluted Earnings per Share:

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. However, diluted earnings per share are not required to calculate as there are no dilution possibilities during the financial year 2018.

iv) Related party transactions:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 Related Party disclosures. Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in notes 43.

v) Reconciliation of books and account:

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the un-reconciled balances within non-material level.

vi) Events alter the reporting period:

Where necessary, all the material events after the balance sheet date have been considered and appropriate adjustment/disclosures have been made in the financial statements as per IAS 1 Events after the Reporting Period. The only material event after the balance sheet date is: the Board of Directors recommended 10% stock dividend for the year 2018 in its meeting no. 312 held on 25 April 2019.

2.15 Reconciliation of inter-bank /inter-branch account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the un-reconciled balances within non-material level.

2.16 Core Risk Management:

The Banking Regulation & Policy Department (BRPD) of Bangladesh Bank issues 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.

2.16.1 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
- i) 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 2018 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 125 (One hundred twenty five) branches & 12 (twelve) Divisions of Head Office, Surprise Inspection has been conducted on 10 (Ten) branches and 17 (seventeen) Special Investigation has been conducted during the year 2018. Moreover, in 2018 we have examined Cash Incentive Payments made by the 11 (eleven) no of AD Branches. ICT Audit has been conducted on 52 (fifty two) branches & 02 (two) Divisions/Departments of Head Office. 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 51 (fifty one) different inspections in the year 2018 on various branches and Departments of Head Office. Details are as under:

Nature of Inspection	Head Office/Division	Branches
Special Inspection on Core Risk	6	3
Comprehensive	1	34
Foreign Exchange Transaction	0	1
Special Inspection	0	0
Surprise Inspection	0	6

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.

2.16.2 Foreign Exchange Risk

Over the last few decades, the Foreign Exchange terminology & market has emerged as the largest market in the world. The behavior and risk pattern also has come forward tremendously due to its multilateral usance within cross border around the globe. Foreign Exchange risk may be defined as an event of potential financial, physical or reputational loss that can commit the business or environment even uncertain and volatile. Standard Bank Limited has a set of "Foreign Exchange Risk Management Guidelines" in compliance with the Local Regulatory Authorities and Internationally complied authorities which in every aspect mitigate the FX transaction risks covering our Export, Import and Remittance. Our motto is to achieve organizational goal within the harmonized Foreign Exchange risk management frame that comprises the revaluations, reconciliations and other everyday events, activities. Well-built monitoring and recurring follow-up by our management diminishes the risk factors in many cases. Also we have a strong preset 'Contingency Plan' to overcome any undue risk situation.

2.16.3 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 2018 were as follows:

Mr. Md. Mamun-Ur-Rashid	Managing Director & CEO	-	Chairman
Mr. Md. Tariqul Azam	AMD & Chief Risk Officer (CRO)		Member
Mr. Md. Motaleb Hossain	DMD		Member
Mr. Alkona K Chowdhuri	SEVP	Head of HRD & BMOD	Member
Mr. Md. Moshir Rahman	EVP	Head of Credit-2	Member
Mr. Syed Anisur Rahman	EVP	Head of ID	Member
Mr. Md. Zahangir Alam	VP	Head of FAD	Member
Mr. Md. Ali Reza	VP	CFO & Head of RMD	Member
Mrs. Rubina Khan	VP	Head of Credit-1	Member
Mr. Md. Forhad Hossain	VP	Head of IBW	Member
Mr. Hossain Al Safer Chowdhury	VP	Head of SME	Member
Mr. Shah Rahat Uddin Ahmed	VP	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.

2.16.4 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 IASic 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.

2.16.5 Information & Communication Technology Risk

The Bank's IT has gone through an enormous transformation from where it started. After several years of continuous efforts, standardization of both back-ends as well as front-end operation of bank is complete. Now through wide array of customizable products and services, IT can bring about equivalent contribution to profits.

Relevant hardware, software and networking gears are in place to support operations of online branches, internet banking, SMS service, call center, Tele Banking, POS and ATM network. These devices are providing superior performance resulting in better end-user satisfaction. To ensure uninterrupted and smooth customer service in all branches and SME centers, IT division continuously work on performance tuning for database and application, networking and server hardware on regular basis. Continuous investments are going on to do the necessary up gradation on hardware and software to increase the Bank's centralized online banking and other peripheral service requirements.

2.16.6 Money Laundering Risk:

Bank's Anti Money Laundering Division has been functioning to ensure proper compliance of overall Anti Money Laundering activities under the guidance of Bangladesh Financial Intelligence Unit (BFIU). The AML Division is to strongly implement Bank's AML/CFT Policy to cover all latest AML issues for combating money laundering and terrorist financing maintaining international standard. Bank has adopted Money Laundering Prevention Act-2012 (Amendment-2015), Anti Terrorism Act-2009 ((Amendment-2012 & 2013), BFIU Circular No.19 dated 17/09/2017 and circulated it to all of its branches to cope with latest AML strategies of national and global arena. Bank has its own standard Customer Acceptance Policy, Money Laundering & Terrorist Financing Risk Management Guidelines to provide a framework to the branches to combat money laundering & terrorist financing risk. Bank has appointed Chief Anti Money Laundering Compliance officer (CAMLCO) & Deputy CAMLCO to supervise overall anti money laundering activities of the bank. Branch Anti Money Laundering Compliance officer (BAMLCO) to comply with Anti Money Laundering issues at branch level. In order to maintain national and international standard of AML/CFT functions Bank has policies to comply with all recommendations, accord and sanctions of United Nations (UN), Financial Action Task Force (FATF) and Asia Pacific group (APG). Apart from this, Bank is not to establish any relationship with entity listed by United Nation Security Council (UNSC) resolutions and do not maintain relationship with shell banks.

2.15.7 Environment Risk Management (ERM)

Bangladesh Bank issued Guidelines on Environment Risk Management (ERM) to streamline solutions for managing the environmental risks in the financial sector Ref:BRPD CircularNo.01/2011dated 30.01.2011 and BRPD Circular no.02dated 27 February,2011 respectively . Bank accordingly introduced the Guideline on Environment Risk Management which is approved by the Board of Directors in its 198th Board meeting vide memo no.-9955 held on 16.09.2012 and advised the Management to implement the same in our Bank.

As Environmental Risk is related to credit risk hence it has been decided to integrate the same with Credit Risk Management (CRM). As such the concerned Branches are directed to evaluate & assess environmental risks whenever a potential borrower approaches for financing. It is required to calculate the Environmental Risk Rating (EnvRR) correctly while financing to the following sectors:

- 1) Agri-business (Poultry & Dairy), 2) Cement, 3) Chemicals, 4) Engineering & IASic Metal, 5) Housing, 6) Pulp & Paper, 7) Sugar & Distilleries, 8) Tannery, 9) Textile & Apparels, and 10) Ship Breaking.

Environmental Risk Rating (EvnRR) of any Credit proposal combines both the outcomes of the General and Sector specific environmental Due Diligence (EDD) checklist & should be applied as per the following table:

General EDD	Sector Specific EDD	Overall EnvRR
Low	Low	Low
Moderate & Low	Low & Moderate	Low

If any one or both the General & Sector-Specific EDD checklist is indicated as 'High' High

EnvAll branches are advised to calculate & assess the EvnRR of a credit proposal (if applicable) and go through the Environmental Risk Management

2.16.7 Highlights on Bangladesh Bank's Inspections of Core Risk Implementation

Bangladesh Bank carried out a comprehensive inspection of SBL Head Office & 50 branches during the year 2018 & special inspection on four core risk (ALM, CRM, ICCD & ICT) based on 30-06-2018 by DBI & two core risk (AML & Foreign Exchange Risk) by BFIU & Foreign Exchange Inspection department during 2018 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.

2.17 Regulatory and legal compliance

The bank complied with the requirements of the following laws & regulation:

- The Bank Companies Act 1991
- The Companies Act 1994
- Income Tax Ordinance, 1984 and rules
- The Value Added Tax (VAT) Act 1991 and rules
- Bangladesh Securities and Exchanges Rules 1987, Bangladesh Securities and Exchanges Ordinance 1969, Bangladesh Securities and Exchanges Act 1993.
- Rules, Regulations and Circulars issued by the Bangladesh Bank and other regulatory authorities.

2.18 Compliance of Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (IFRSs)

The bank has complied the following IASs & IFRSs as adopted by ICAB during the preparation of financial statements as at and for the year ended 31 December 2018.

Name of IASs /IFRSs BASs/IFRSs
Presentation of Financial Statements BAS

Name of IASs /IFRSs	BASs/IFRSs	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
Income Taxes	BAS	12	Applied
Property, Plant and Equipments	BAS	16	Applied
Leases	BAS	17	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
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

Name of IASs /IFRSs	BASs/IFRSs	No.	Status
Agriculture	BAS	41	N/A
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS	1	N/A
Share-based Payment	IFRS	2	N/A
Business Combinations	IFRS	3	Applied
Insurance Contracts	IFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS	6	N/A
Financial Instruments: Disclosures	IFRS	7	Applied
Operating Segments	IFRS	8	Applied
Consolidated Financial Statements	IFRS	10	Applied
Joint Arrangements	IFRS	11	N/A
Disclosure of Interests in Other Entities	IFRS	12	Applied
Fair Value Measurement	IFRS	13	Applied
Revenue	IFRS	15	Applied

2.19
Operating segments:

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has ten reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank are periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segment Name	Description
Corporate Banking	This unit Focuses on large corporate groups including structured/ syndicated finance with a variety of advances & deposit products and other transactions .
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.
Consumer Banking	Includes loans, deposits and other transactions and balances with retail customers.
Treasury	Treasury unit undertakes the Bank's funding and maintenance of SLR, Asset-liability management through money market operation, Fx. Market dealings. investing in derivatives including forwards, Futures and swaps.
Investment Banking	Includes the Bank's trading, investment in equities and other capital market activities.
Offshore Banking	This unit aims to provide all kinds of commercial banking services to its customers in freely convertible currencies. Presently the Bank has one unit in Dhaka.
Card and Alternate Delivery Channel	This includes offering a variety of debit card and credit card to the customers according to their needs
Mobile Financial Services	Mobile Financial services came up the aim to cover a large number of people under banking channel through mobile network facilitating convenient cash in/out, bill payment. POS purchase etc.
SBL Capital Management Limited	The principal activity of the Co. is to act as a TREC Holder of DSE & CSE to carry on the business of stock brokers in relation to shares and securities dealings and other services.

SBL Securities Limited	The objective of the company is in underwriting, managing and distributing the issue of shares, bonds and other securities, portfolio management. share transfer agent, fund management etc .
Standard Exchange Company (UK) Limited	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.
Standard Co (USA) Inc.DBA : Standard Express	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.

2.20

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.

Comparative information

Comparative information in respect of the previous year has been presented from the financial statements audited by current year auditors for the year ended 31 December 2018. Figures of previous year have been rearranged whenever necessary to confirm the current year/period presentation.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its 312th meeting held on 25 April, 2019.

2.21

Changes in accounting policies

As per IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively in the financial statements . Comparative amounts presented in the financial statements affected by changes in accounting policy for each period presented.

		Amount in Taka	
		31.12.2018	31.12.2017
3.	CASH		
3.1	Cash in hand		
	In local Currency	1,443,323,239	1,103,133,069
	In Foreign Currency	32,701,448	44,828,417
	Total	1,476,024,687	1,147,961,486
3.2	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		
	In local Currency	7,945,595,398	8,382,426,575
	In Foreign Currency	45,168,076	52,165,868
		7,990,763,474	8,434,592,443
	Sonali Bank as agent of Bangladesh Bank		
	Local currency	148,037,778	113,102,376
		8,138,801,252	8,547,694,819
	Total	9,614,825,939	9,695,656,305

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 April 03, 2018.

The Cash Reserve Ratio on the Bank's time and demand liabilities at the rate of 5.50% on bi-weekly basis and minimum 5.00% 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, Treasury Bonds, Bangladesh Bank Bills, Cash in hand, Balance with Sonali Bank as an agent of Bangladesh Bank and 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) for Conventional Banking

(6.5% of Average Demand and Time Liabilities)

Required Reserve

7,906,219,000

8,285,957,000

Actual Reserve maintained (Second Bi-weekly of December-2017, as per Bangladesh Bank Statement)

8,200,436,000

8,394,410,000

Surplus/(Deficit)

294,217,000

108,453,000

ii) Cash Reserve Ratio (CRR) for Islamic Banking

(6.5% of Average Demand and Time Liabilities)

Required Reserve

30,535,000

22,062,040

Actual Reserve maintained (as per Bangladesh Bank Statement)

44,916,000

42,423,000

Surplus/(Deficit)

14,381,000

20,360,960

iii) Statutory Liquidity Ratio (SLR) for Conventional Banking:

(13% of Average Demand and Time Liabilities)

Required Reserve

18,687,427,000

16,571,914,000

Actual Reserve maintained

22,467,308,000

17,528,256,000

Surplus/(Deficit)

3,779,881,000

956,342,000

iv) Statutory Liquidity Ratio (SLR) for Islamic Banking :

(5.5% of Average Demand and Time Liabilities)

Required Reserve

30,535,000

18,668,000

Actual Reserve maintained

47,512,000

25,827,000

Surplus/(Deficit)

16,977,000

7,159,000

3.4 Held for Statutory Liquidity Ratio

Cash in hand
Balance with Sonali Bank
Bangladesh Bank Bills
Government Treasury Bills
Government Treasury Bonds

Amount in Taka	
31.12.2018	31.12.2017
1,495,684,000	1,147,495,000
148,007,000	113,089,000
-	-
-	145,788,000
20,688,221,000	16,121,884,000
22,331,912,000	17,528,256,000

3(a) Consolidated cash

i. Cash in hand

Standard Bank Limited (note-3.1)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

1,476,024,687	1,147,961,486
-	2,148,116
69,977,713	58,506,553
-	-
-	-
1,546,002,400	1,208,616,155

ii. Balance with Bangladesh Bank and its agent bank(s)

Standard Bank Limited (note-3.2)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

8,138,801,252	8,547,694,819
-	-
-	-
-	-
-	-
8,138,801,252	8,547,694,819
9,684,803,652	9,756,310,974

4. Balance with other Banks and financial institutions

In Bangladesh (note 4.1)
Outside Bangladesh (note 4.2)

1,472,345,127	2,474,338,245
9,795,981	350,883,976
1,482,141,108	2,825,222,221

4.1 In Bangladesh

Current Deposits

Short Term Deposit (STD)

Agrani Bank Limited
Basic Bank Limited
BRAC Bank Ltd.
Dutch Bangla Bank
Eastern Bank Limited
Islami Bank bd Limited
Janata Bank Limited
Southeast Bank Ltd.
Sonali Bank Limited
Standard Chartered Bank
The City Bank Limited
Trust Bank Ltd.

-	-
115,116	18,080,540
13,170	6,683
483,184	483,184
11,000	11,000
1,253	2,883
22,549	29,797
173,754	3,671,865
15,000,000	-
64,124,475	15,812,331
13,238,579	6,649,795
80,778	80,778
4,151,144	79,264
97,415,002	44,908,120

		Amount in Taka	
		31.12.2018	31.12.2017
4.3	Maturity grouping of balance with other banks and financial institutions		
	Payable on demand	-	-
	Up to 1 month	1,267,710,983	2,610,792,096
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	214,430,125	214,430,125
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		1,482,141,108	2,825,222,221
4.4	Net Balance with other banks and financial institutions		
	Balance with other banks and financial institutions(note-4)	1,482,141,108	2,825,222,221
	Add: Lending to other banks and financial institutions(note-05)	150,000,000	450,000,000
	Less: Borrowing from other banks and financial institutions(note-10)	12,023,301,514	13,424,534,006
		(10,391,160,407)	(10,149,311,785)
4.5	Consolidated Net Balance with other banks and financial institutions		
	Balance with other banks and financial institutions(note-4b)	(10,391,160,407)	(10,149,311,785)
	Less: Borrowing from other banks and financial institutions	-	-
		(10,391,160,407)	(10,149,311,785)
4(a)	Consolidated Balance with other banks and financial institutions In Bangladesh		
	Standard Bank Limited (note-4.1)	1,472,345,127	2,474,338,245
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	14,422,734	36,632,589
	SBL Securities Ltd.	58,484,411	255,440,635
		1,545,252,271	2,766,411,469
	Outside Bangladesh		
	Standard Bank Limited (note-4.2)	9,795,981	350,883,976
	Standard Exchange Co.(UK) Ltd.	1,893,880	-
	Standard Express(USA) Ltd.	95,976,760	102,940,088
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		107,666,621	453,824,064
		1,652,918,892	3,220,235,533
5.	Money at Call and Short Notice		
	Banking Company		
	BASIC Bank Ltd	-	200,000,000
	Habib Bank Ltd	-	50,000,000
		-	250,000,000

Non-Banking Financial Institutions
 MIDAS
 Short Notice Money
 IDLC
 Lanka Bangla
 IPDC Finance

Total

5.1 Maturity grouping of Money at Call and Placements:

Payable on demand
 Up to 1 month
 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

6. Investments

Government securities (note -6.a)
 Others Investment (note -6.b)

a) Government securities

Treasury Bill

91 days Treasury Bills
 182 days Treasury Bills
 364 days Treasury Bills

Total Treasury Bill

Government Bond

1 years Government bonds
 2 years Government bonds
 5 years Government bonds
 10 years Government bonds
 15 years Government bonds
 20 years Government bonds

Total Government Bond

Prize bonds

Total Prize bonds

	Amount in Taka	
	31.12.2018	31.12.2017
	-	50,000,000
	-	50,000,000
	150,000,000	-
	-	100,000,000
	150,000,000	200,000,000
	150,000,000	450,000,000
	150,000,000	450,000,000
	-	-
	-	-
	-	-
	-	-
	-	-
	150,000,000	450,000,000
	20,723,153,286	16,276,132,131
	5,784,011,934	5,726,023,159
	26,507,165,220	22,002,155,290
	-	-
	-	-
	-	145,788,000
	-	145,788,000
	-	-
	400,055,318	552,910,494
	2,651,514,278	4,078,916,833
	7,328,412,824	5,960,465,852
	3,163,018,045	1,857,552,767
	7,145,216,521	3,672,036,585
	20,688,216,986	16,121,882,531
	2,936,300	3,461,600
	2,936,300	3,461,600

		Amount in Taka	
		31.12.2018	31.12.2017
Government Islamic Bond			
1 years bonds		32,000,000	5,000,000
2 years bonds		-	-
Total Government Islamic Bond		32,000,000	5,000,000
Total Government Securities		20,723,153,286	16,276,132,131
b) Other Investments (note -6.3)			
Quoted Shares		157,008,826	168,231,086
Unquoted Shares		4,689,003,696	4,531,792,661
Preference share		35,000,000	70,000,000
Subordinated Bonds		902,999,412	955,999,412
Bangladesh Bank Bill		-	-
Total Others Investment		5,784,011,934	5,726,023,159
6.1 Government Securities classified as per Bangladesh Bank Circular:			
Held for trading (HFT)		2,725,736,903	3,325,179,071
Held to maturity (HTM)		17,994,480,084	12,947,491,460
Other Securities (Prize Bond)		2,936,300	3,461,600
		20,723,153,287	16,276,132,131
6.2 Maturity grouping of Investments :			
On demand		2,936,300	3,461,600
Up to 1 month		-	-
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		432,055,318	703,698,494
Over 5 years		26,072,173,602	21,294,995,196
		26,507,165,220	22,002,155,290
6.3 Other Investments :			
a) Quoted Shares			
First Bangladesh Fixed Income Fund		150,000,000	150,000,000
Bangladesh Steel Re-Rolling Mills Ltd		4,595,375	18,000,000
The ACME Laboratories Limited		109,226	64,800
Runner Automobile Limited		1,076,925	57,060
Genex Infosys Limited		104,670	109,226
ADN Telecom Limited		569,040	-
SS Steel Limited		134,920	-
Kettali Textiles Ltd		151,270	-
SM Trim & Industris Ltd		50,420	-
M. L. Dyeing Limited		60,400	-
VFS Thread Dyeing Limited		35,190	-
Silva Pharmaceuticals Limited		91,940	-
Indo-Bangla Pharmaceuticals Limited		29,450	-
Total Quoted Shares		157,008,826	168,231,086

b) Unquoted Shares

Central Depository Bangladesh Limited (CDBL)
Market Stabilization Fund
SWIFT
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.
SBL Capital Mgt. Ltd.(Investment)

Total Unquoted Shares
c) Preference share

Preference Share Of Star Ceramics Ltd.
--

Total Preference share
d) Subordinated Bond

Trust Bank Ltd.
Zero Coupon Bond
BSRM Ltd.
Jamuna Bank Ltd 2Nd Subordinate Bond
MTBL 3rd Subordinated Bond
The City Bank 2nd Subordinated Bond
Golden Harvest Agro Industries Ltd.

Total Subordinated Bond
e) Bangladesh Bank Bill

7 days Treasury Bills
14 days Treasury Bills
30 days Treasury Bills

Total Bangladesh Bank Bill
Total Other Investments

(Annexure-E may kindly be seen for details)

6(a) Consolidated Investments
Government

Standard Bank Limited (note-6)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

Others

Standard Bank Limited (note-6)
Standard Bank Limited (Share Capital & Investment to SCML)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.
SBL Securities Ltd. (Share Capital to SSL)

Amount in Taka	
31.12.2018	31.12.2017
156,548,164	156,548,164
5,000,000	5,000,000
3,003,185	3,003,185
31,198,950	32,799,000
116,130,000	115,080,000
1,499,940,000	1,499,940,000
799,940,000	799,940,000
2,077,243,397	1,919,482,312
4,689,003,696	4,531,792,661
35,000,000	70,000,000
35,000,000	70,000,000
-	20,000,000
99,999,412	99,999,412
33,000,000	66,000,000
500,000,000	500,000,000
150,000,000	150,000,000
100,000,000	100,000,000
20,000,000	20,000,000
902,999,412	955,999,412
-	-
-	-
-	-
5,784,011,934	5,726,023,159
20,723,153,286	16,276,132,131
-	-
-	-
-	-
-	-
20,723,153,286	16,276,132,131
5,784,011,934	5,726,023,159
(3,577,183,397)	(3,419,422,312)
(31,198,950)	(32,799,000)
(116,130,000)	(115,080,000)
2,103,940,232	2,042,274,512
527,006,253	557,005,626
(799,940,000)	(799,940,000)
3,890,506,072	3,958,061,985
24,613,659,358	20,234,194,116
-	-

		Amount in Taka	
		31.12.2018	31.12.2017
7.3	Loans and advances/Investments under the following broad categories :		
	Loans	102,164,419,613	87,772,069,889
	Cash Credit	15,679,953,876	15,392,077,576
	Overdraft	21,087,470,677	19,650,850,412
		138,931,844,166	122,814,997,877
	Bills purchased and discounted	4,798,625,145	3,323,036,660
		143,730,469,311	126,138,034,537
7.4	Loans and advances/Investments on the basis of significant concentration including bills purchased and discounted		
a)	Loans and advances/Investments to allied concerns of Directors/Sponsors of the Bank (Annexure-D)	388,783,000	314,103,000
b)	Loans and advances/Investments to Chief Executive and other senior executives (including staff)	821,486,000	594,372,665
c)	Loans and advances/Investments to customers group :		
	i) Commercial lending	31,541,200,000	27,400,500,000
	ii) Export financing	2,121,700,000	1,914,600,000
	iii) House building loan	2,520,506,211	2,368,577,601
	iv) Consumers Credit Scheme	272,927,467	276,049,593
	v) Small and medium enterprises	25,038,808,753	21,208,250,277
	vi) Special program loan	125,311,032	113,939,380
	vii) Other Loans and advances/Investments	6,456,895,686	1,543,062,222
		68,077,349,149	54,824,979,073
d)	Industrial Loans/Investments		
	i) Agricultural Industries	4,106,551,162	5,588,155,463
	ii) Textile Industries	11,880,700,000	21,587,800,000
	iii) Food and allied Industries	11,808,800,000	8,583,200,000
	iv) Pharmaceuticals Industries	439,300,000	361,500,000
	v) Leather, Chemical and Cosmetics etc	453,800,000	275,600,000
	vi) Cement and Ceramic Industries	1,959,700,000	2,692,600,000
	vii) Service Industries	12,281,600,000	16,542,700,000
	viii) Transport and Communication Industries	5,889,500,000	5,178,500,000
	ix) Other Industries	25,622,900,000	9,594,524,336
		74,442,851,162	70,404,579,799
	Total Loans and advances/Investments	143,730,469,311	126,138,034,537
7.5	Geographical Location-wise Loans and advances/Investments:		
	Urban:		
	Dhaka Division	94,050,749,401	78,228,061,515
	Chittagong Division	24,184,055,407	23,570,557,966
	Khulna Division	7,042,995,940	6,830,302,461
	Barishal Division	392,151,288	394,345,335
	Rajshahi Division	5,108,550,759	4,672,786,917
	Rangpur Division	4,976,304,492	4,923,709,333
	Sylhet Division	414,989,557.19	415,251,279.00
	Mymensing Division	242,539,700	253,344,735
		136,412,336,545	119,288,359,541

	Amount in Taka	
	31.12.2018	31.12.2017
Rural :		
Dhaka Division	4,914,234,532	4,655,809,220
Chittagong Division	857,097,575	812,770,271
Khulna Division	148,377,474	162,932,418
Barishal Division	-	-
Rajshahi Division	449,800,831	359,920,816
Rangpur Division	579,663,331	495,647,392
Sylhet Division	132,673,135	166,821,556
Mymensing Division	236,285,887	195,773,323
	7,318,132,766	6,849,674,996
Outside Bangladesh	-	-
Total	143,730,469,311	126,138,034,537

7.6 Details of pledged collaterals

Agriculture and SME	20,341,200,000	10,919,268,447
Manufacturing/Production	37,642,600,000	38,041,918,329
Real Estate	9,264,800,000	12,637,528,964
Service Industry	16,358,000,000	18,060,211,349
Others	8,138,700,000	12,720,670,601
	91,745,300,000	92,379,597,690

7.7 DETAIL OF LARGE LOAN

Number of clients with amount of outstanding and classified loans/Investments to whom loans and advances/Investments sanctioned exceeds 10% of total capital of the Bank. Total Capital of the Bank was Taka 5567.32 crore as at 31 December ,2018 (Taka 4581.98 Crore in 2017)

Number of Clients	24	21
Amount of outstanding advances/Investments /Investments	5567.32Crore	4581.98 Crore
Amount of classified advances/Investments/Investments	-	-
Measures taken for recovery	Not applicable	Not applicable

Name of Clients	Outstanding as on 31.12.2018		Total Amount (In crore)	
	Funded	Non-Funded	2018	2017
Chaity Group	222.71	158.26	380.97	469.49
Shinha Group	247.82	29.24	277.06	353.42
Saad Musa Group	302.71	-	302.71	275.31
Paradise Group	303.76	21.45	325.21	292.81
Pran RFL Group	304.18	39.16	343.34	316.50
Basundhara Group	213.04	187.26	400.30	243.52
Noman Group	187.50	35.09	222.59	189.26
Ocean Paradise			0.00	158.13
Armana Group			0.00	248.85
Everway Yam Dyeing Industries Ltd.			0.00	153.76
Rangs Group	328.81	24.40	353.21	205.79
Abul Khair Group	74.92	30.30	105.22	147.45
Modern Group	238.52	-	238.52	229.70
N.Z. Group	157.50	22.61	180.11	186.02
Anwar Group			0.00	153.20

			Amount in Taka	
			31.12.2018	31.12.2017
Abdul Monem Group	167.85	166.46	334.31	151.31
City Group			0.00	142.47
Mir Akhter Hossain Ltd.	174.68	58.20	232.88	238.50
Navana Group	92.60	30.29	122.89	139.31
Partex Group	123.00	7.77	130.77	138.16
Gemcon			0.00	149.03
Pantex	74.61	59.27	133.88	0.00
SQ Group	10.74	224.09	234.83	0.00
Zohura Agriculture & Zohura Trading	132.42	-	132.42	0.00
Nitol-Niloy Group	172.14	12.63	184.77	0.00
Union Group	81.41	47.47	128.88	0.00
Prime Group	76.14	200.16	276.30	0.00
MSA Textiles Ltd	112.46	129.26	241.72	0.00
Nationtech-KKENT JV	120.21	24.22	144.43	0.00
Karim Group	79.48	60.52	140.00	0.00
Total	3,999.21	1,568.11	5,567.32	4,581.99

7.8 Particulars of loans and advances/Investments

		Taka	Taka
i)	Loans/Investments considered good in respect of which the Bank is fully secured	98,180,064,206	86,450,677,766
ii)	Loans/Investments considered good against which the bank holds no security other than the debtors' personal guarantee	39,521,717,816	32,779,093,471
iii)	Loans/Investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	5,796,405,717	2,339,194,300
iv)	Loans/Investments adversely classified; provision not maintained there against	5,746,900,000	4,569,069,000
		143,730,469,311	126,138,034,537
v)	Loans/Investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	1,210,269,000	908,475,665
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	61,222,000	354,488,530
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.	1,210,269,000	921,279,081

		Amount in Taka	
		31.12.2018	31.12.2017
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	61,222,000	314,103,000
ix)	Due from banking companies	-	-
x)	Total amount of Classified advances/Investments on which interest is not credited to income	11,348,683,203	10,451,440,088
a) Movement of Classified Loans and advances/Investments			
	Opening Balance	10,451,440,088	3,798,964,355
	Increase/(decrease) during the year	897,243,115	5,565,986,733
		11,348,683,203	10,451,440,088
	b) Provision kept against loan classified as bad debts (note-7.10)	2,271,043,588	2,190,571,867
	c) Interest credited to interest suspense Account (note-12.4)	419,819,013	203,557,538
xi)	Cumulative amount of written off loans/Investments		
	Opening Balance	3,754,640,899	3,107,750,481
	Amount written off during the year	1,001,458,536	646,890,418
		4,756,099,435	3,754,640,899
	Amount realized against loan/Investments previously written off	10,047,406	5,377,000
	The amount of written off / classified loans/Investments for which law suits have been filed	22,025,224,835	12,613,902,008
7.09	Classification of loans and advances/Investments		
	Unclassified:	132,381,786,108	115,686,594,449
	Standard including staff loans/Investments	132,180,525,191	115,440,232,708
	Special Mention Account (SMA)	201,260,917	246,361,741
	Classified:	11,348,683,203	10,451,440,088
	Sub standard	599,726,880	473,800,059
	Doubtful	1,091,357,385	145,008,679
	Bad/Loss	9,657,598,938	9,832,631,350
		143,730,469,311	126,138,034,537

7.10
**Particulars of required provision for loan and advances/
Investments**

				Amount in Taka	
				31.12.2018	31.12.2017
Status	Outstanding	Base for provision	%		
Un-classified -General provision:					
All Unclassified loans (other than Small and Medium Enterprise financing, Loan to BH/MB/SD agst shares, Consumer Financing, House Finance, Agriculture Finance, Staff loan and Special Mentioned Account)	100,841,278,423	100841278423.08		994,523,999	878,538,041
Small and Medium Enterprise financing	27,495,715,678	27,495,715,678	0.25%	68,739,289	50,197,257
Loan to BH/MB/SD agst shares	486,205,467	486,205,467	2.00%	9,724,109	6,103,147
Consumer Financing,	98,202,705	98,202,705	5.00%	4,910,135	
Consumer Financing,	419,174,621	419,174,621	2.00%	8,383,492	9,836,277
House Finance	1,374,128,097	1,374,128,097	2.00%	27,482,562	39,558,915
Agriculture Finance	4,039,302,840	4,039,302,840	1.00%	40,393,028	55,635,971
Staff loan	810,641,361	810,641,361	0.00%	-	-
Special Mentioned Account	217,521,917	212,372,636	.25% to 5%	1,731,623	2,012,274
Classified-specific provision					
Sub Standard	307,836,880	93,310,692	5% to 20%	14,029,604	67,239,771
Doubtful	126,219,385	51,790,817	5% to 50%	25,613,011	58,907,097
Bad/Loss	7,514,241,938	2,463,682,545	100.00%	2,231,400,973	2,064,424,998
	<u>143,730,469,311</u>	<u>138,385,805,881</u>		2,271,043,587	2,190,571,866
Required provision for loans and advances/Investments				3,426,931,827	3,232,453,7450
Total Provision maintained (note-12.2)				3,426,931,827	3,232,453,750
Excess/(Short) provision at 31 December				-	-

* As per Bangladesh Bank letter no. DBI-1/111/2019-902, dated 23.04.2019, the Bank has maintained total provision of Tk. 342.69 Crore for the year 2018 against loans and advances.

7.11 Particulars of required provision on Off-Balance Sheet Exposures

		Amount in Taka	
		31.12.2018	31.12.2017
	Base for Provision		
	Rate %		
Acceptance and endorsements	16,400,147,736	164,001,477	159,695,669
Letter of guarantee	12,728,052,544	127,280,525	101,735,073
Letter of credit	14,166,908,353	141,669,084	113,881,148
Bills for Collection	-	-	43,886,796
Required provision of Off-Balance Sheet Exposures		432,951,086	419,198,686
Total provision maintained (note-12.3)		432,951,086	419,198,686
Excess/(short) provision at		-	-

7.12 Suits filed by the bank (Branch wise details)

Principal Branch	238,322,747	125,753,000
Topkhana Branch	406,696,596	397,679,596
Khulna Branch	846,747,081	701,672,905
Gulshan Branch	1,894,602,179	94,602,178
Sylhet Branch	468,177,429	257,862,962
Uttara Branch	1,473,756,479	341,025,723
Rajshahi Branch	363,431,536	141,213,572
Khatungonj Branch	2,421,619,195	2,000,740,437
Jubilee Road Branch	1,931,630,962	1,592,990,950
Cox's Bazar Branch	48,932,360	24,319,806
Imamgonj Branch	1,490,155,001	178,981,252
Saidpur SME/Krishi Branch	169,443,360	34,636,800
Agrabad Branch	2,811,697,804	2,275,008,959
Panthapath Branch	73,022,000	43,865,000
CEPZ Branch	64,873,645	47,965,074
Bhairab SME Branch	8,568,005	4,136,436
Benapole Branch	192,202,928	109,760,948
Rangpur Branch	134,080,772	103,218,833
Beanibazar Branch	24,455,618	21,885,408
CDA Branch	931,707,242	626,359,499
Kustia Branch	44,454,477	35,063,963
Dhanmondi Branch	175,830,757	154,808,278
Green Road Branch	186,527,186	24,917,386
Dinajpur Branch	399,949,822	153,942,099
Faridpur Branch	28,192,363	12,610,794
Nilphamari Branch	15,905,100	3,445,729
Takerhat Branch	4,317,093	22,261,093
Pahartali Branch	3,154,442,251	1,906,015,251
Rohanpur Branch	426,047,990	239,172,179
Bogra Branch	86,165,412	70,151,646
Goalabazar Branch	37,686,831	32,681,342
Moulvibazar Branch	32,554,218	115,953,843

		Amount in Taka	
		31.12.2018	31.12.2017
	Bishawanath Branch	63,020,404	34,492,626
	Gulshan-1 Branch	162,785,458	23,200,120
	Jessore Branch	31,255,465	6,688,992
	Patuakhali Branch	14,347,364	17,077,425
	Chaktai Branch	32,000,000	24,000,000
	Bakshigonj Branch	12,782,906	4,082,905
	Mymensingh Branch	27,270,055	24,410,923
	Progati Sharani Branch	25,172,191	10,732,503
	Savar SME Branch	21,322,470	17,221,470
	Bashurhat Branch	25,705,365	16,806,564
	Foreign Exchange Branch	83,293,068	22,637,512
	Sadarghat Branch	129,890,067	34,046,541
	Satkhira Branch	1,100,000	6,333,000
	Sunamgonj Branch	1,893,879	3,480,857
	Bahaddarhat Branch	60,549,533	31,200,000
	Banani Branch	488,117,254	371,920,266
	Munshikhula Branch	70,867,363	70,867,363
	Malibag Branch	11,949,268	-
	Matuail Branch	9,068,819	-
	Narayangonj Branch	125,268,000	-
	Nawabpur Branch	16,905,140	-
	New Eskaton Branch	13,910,329	-
	Brahmanbaria Branch	1,000,000	-
	Kansat Branch	9,554,000	-
		22,025,224,835	12,613,902,008
7.13	Bills purchased and discounted		
	Payable in Bangladesh	1,474,664,297	1,194,745,047
	Payable outside Bangladesh	3,323,960,849	2,128,291,613
		4,798,625,145	3,323,036,660
7.14	Maturity grouping of bills purchased and discounted		
	Payable within one month	479,862,515	332,303,666
	Over one month but less than three months	1,919,450,058	1,329,214,664
	Over three months but less than six months	2,399,312,573	1,661,518,330
	Six months or more	-	-
		4,798,625,145	3,323,036,660
7.15	Sector -wise loans and advances		
	Government & autonomous	-	-
	Co-operative sector	-	-
	Other public sector	-	-
	Private sector	143,730,469,311	126,138,034,537
		143,730,469,311	126,138,034,537

		Amount in Taka	
		31.12.2018	31.12.2017
7(a)	Consolidated Loans and advances/Investments		
	Standard Bank Limited (note-7)	138,931,844,166	122,814,997,877
	Standard Bank Limited (Loan to SBSL)	(271,336,554)	(270,372,525)
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	2,279,885,075	2,086,917,389
	SBL Securities Ltd.	321,769,761	273,584,767
		141,262,162,448	124,905,127,508
	Consolidated bills purchased and discounted		
	Standard Bank Limited (note-7)	4,798,625,145	3,323,036,660
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		4,798,625,145	3,323,036,660
		146,060,787,593	128,228,164,168
8.	Fixed assets including premises, furniture and fixture		
	Land	2,373,245,825	2,370,861,325
	Land and Building	495,535,566	497,920,065
	Furniture & Fixture	650,077,739	575,452,344
	Office Appliance	658,470,021	582,706,269
	Computer	247,591,719	209,621,194
	Bank's Vehicle	115,093,907	111,879,928
	Total cost	4,540,014,777	4,348,441,125
	Intangible Assets		
	Software	122,684,041	97,016,041
	Total cost	4,662,698,818	4,445,457,166
	Less: Accumulated Depreciation	968,336,513	781,679,807
	Net book value at the end of the year	3,694,362,305	3,663,777,359
	(See Annexure-B for details)	-	-
8(a)	Consolidated fixed assets including premises, furniture and fixture		
	Standard Bank Limited (note-8)	3,694,362,305	3,663,777,359
	Standard Exchange Co.(UK) Ltd.	2,097,505	2,188,896
	Standard Express(USA) Ltd.	14,217,903	15,032,771
	SBL Capital Mgt. Ltd.	3,004,318	3,572,185
	SBL Securities Ltd.	4,083,002	5,144,995
		3,717,765,034	3,689,716,206
9.	Other assets		
	Stock of Stationery	16,389,715	23,760,399
	Stamps in hand	5,434,148	3,393,329
	Suspenses A/c (note-9.1)	731,994,562	406,329,723
	Advance Deposit	2,369,526	2,111,453
	Branch adjustments accounts (note-12.9)	113,637,674	61,617,703
	Sundry Assets (note-9.2)	9,715,660,239	8,863,043,831
		10,585,485,864	9,360,256,438

9.1 Suspense Accounts

Sundry Debtors	
Advance Against TA/DA	
Advance Against Proposed Branch	
Advance Against Legal Expenses	
Encashment-PSP/BSP/WEDB	
Advance on against board meeting	
Advance Against Annual General Meeting	
Mobile Banking	
Cash Remittance	

Amount in Taka	
31.12.2018	31.12.2017
73,958,905	42,263,902
112,000	658,000
130,337,480	43,295,200
9,975,791	10,219,360
370,823,728	257,291,873
-	530,000
-	799,550
32,458	34,408
146,754,200	51,237,430
731,994,562	406,329,723

9.2 Sundry Assets

Advance Rent	
Interest Receivable (note - 9.4)	
Prepaid expenses	
Advance Tax (note-9.3)	
Protested Bill Account	
Clearing Adjustment	
BFTN adjustment	
Working Progress, Building	
Islamic Settlement Account	
Interest Waived	
Excise duty adjustment on FDR	
Demand Draft without advice	

299,922,474	352,437,469
368,126,618	345,686,322
12,624,131	55,565,221
8,893,887,018	8,085,953,448
28,737,128	28,737,128
(2,063,242)	(2,063,362)
(5,845,631)	(23,585,316)
63,259,371	2,480,341
4,374,461	-
24,176,621	-
28,460,990	17,832,280
300	300
9,715,660,239	8,863,043,831

9.3 Advance Tax

Advance Corporate Tax	
Advance Income tax on L/C Commission	
Advance Income tax on Tr.Bill	
Advance Income tax on Share dividend	
Advance Tax On Vehicle	
Advance Income tax on Interest Balance with other banks	
Advance Income tax on Subordinated bond	

8,392,662,115	7,642,662,115
92,656,211	81,456,113
131,342,103	131,342,103
190,751,975	164,042,770
1,315,000	885,000
74,281,288	58,387,580
10,878,326	7,177,767
8,893,887,018	8,085,953,448

9.4 Interest Receivable

Interest Receivable on Staff loan	
Interest Receivable on Lerm Loan	
Interest Receivable on SME	
Interest Receivable on Treasury Bond	
Interest Receivable on SOD	
Interest Receivable on Agri & Rural Credit	
Interest Receivable on Subordinated Bond	
Interest Receivable on packing credit	
Interest Receivable on FDR & Sub-Bond	

-	374
-	862,663
-	1,146,232
331,536,734	284,830,364
-	12
-	130,847
-	24,081,731
-	9,400
36,589,884	34,624,699
368,126,618	345,686,322

		Amount in Taka	
		31.12.2018	31.12.2017
9(a)	Consolidated other assets		
	Standard Bank Limited (note-9)	10,585,485,864	9,360,256,438
	Standard Exchange Co.(UK) Ltd.	18,630,141	18,911,247
	Standard Express(USA) Ltd.	11,482,986	12,315,346
	SBL Capital Mgt. Ltd.	324,368,196	337,727,377
	SBL Securities Ltd.	328,164,170	391,280,978
	Total	11,268,131,358	10,120,491,387
10.	Borrowings from other banks, financial institutions and agents		
	In Bangladesh (note-10.1)	9,470,136,315	11,363,158,094
	Outside Bangladesh	2,553,165,199	2,061,375,912
	Total	12,023,301,514	13,424,534,006
10.1	In Bangladesh		
	Call Borrowings		
	State Bank of India	-	190,000,000
	Sonali Bank Ltd	-	800,000,000
	Janata Bank Ltd	250,000,000	1,400,000,000
	Southeast Bank Ltd	-	150,000,000
	Prime Bank Ltd	-	200,000,000
	Mutual Trust Bank Ltd	-	400,000,000
	Total	250,000,000	3,140,000,000
	Other Borrowings		
	Re-Finance from B Bank	26,273,141	110,616,171
	EDF from B Bank	3,993,863,174	2,512,541,923
	SBL Subordinated Bond	5,200,000,000	5,600,000,000
	Total	9,220,136,315	8,223,158,094
	Total	9,470,136,315	11,363,158,094
	Outside Bangladesh		
	FI Banks	2,553,165,199	2,061,375,912
	Total	12,023,301,514	13,424,534,006
10.2	Security against borrowing from other banks, financial institutions and agents		
	Secured	-	-
	Unsecured	12,023,301,514	13,424,534,006
	Total	12,023,301,514	13,424,534,006
10.3	Maturity grouping of borrowing from other banks, financial institutions and agents		
	Repayable on demand	12,023,301,514	13,424,534,006
	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	-	-
	Total	12,023,301,514	13,424,534,006

		Amount in Taka	
		31.12.2018	31.12.2017
10(a)	Consolidated Borrowings from other banks, financial institutions and agents		
	Standard Bank Limited (note-10)	12,023,301,514	13,424,534,006
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	68,983,011	-
	SBL Securities Ltd.	-	-
		12,092,284,525	13,424,534,006
11.	Deposits and other deposits		
	Deposits from banks (note-11.1)	11,570,000,000	12,410,000,000
	Deposits from customers (note.11.3)	143,389,246,613	122,298,610,919
		154,959,246,613	134,708,610,919
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)	11,570,000,000	12,410,000,000
		11,570,000,000	12,410,000,000
11.2	Deposits' from banks (Fixed Deposits)		
	United Commercial Bank Limited	-	1,000,000,000
	Agrani Bank Limited	3,000,000,000	1,500,000,000
	Sonali Bank	3,600,000,000	1,800,000,000
	Pubali Bank Limited	600,000,000	400,000,000
	Bank Alfalah Limited	-	220,000,000
	Southeast Bank Limited	-	300,000,000
	Trust Bank Limited	-	1,000,000,000
	Dutch Bangla Bank Limited	-	1,000,000,000
	Rupali Bank Ltd	-	2,000,000,000
	Com.Bank of ceylon	120,000,000	-
	Standard Chartered Bank	-	90,000,000
	Uttara Bank Limited	-	1,000,000,000
	Jamuna Bank Ltd	250,000,000	-
	Janata Bank Ltd	1,000,000,000	-
	Eastern Bank Limited	-	100,000,000
	Bank Asia Limited	3,000,000,000	2,000,000,000
		11,570,000,000	12,410,000,000
11.3	Customer Deposits		
	i)Current deposits and other Deposits		
	Current / Al-wadeeah current deposits	7,036,313,678	6,677,396,111
	Foreign Currency deposits	2,870,930,690	3,277,163,080
	Sundry deposits (note - 11.4)	8,207,769,171	7,737,895,310
		18,115,013,540	17,692,454,501

		Amount in Taka	
		31.12.2018	31.12.2017
ii) Bills payable			
Pay orders issued		2,867,475,368	2,648,909,832
Pay slips issued		600	600
Demand draft		22,600,280	22,620,170
		2,890,076,248	2,671,530,602
iii) Savings bank Deposits/Mudaraba savings deposits		11,086,539,951	10,350,006,851
iv) Term Deposits/Fixed Deposits			
Fixed deposits/Mudaraba Fixed Deposits (Excluding Bank Deposit)		96,256,077,009	78,023,874,209
Short term deposits		6,185,200,592	4,758,715,053
Deposits Under Schemes		8,856,339,273	8,802,029,703
		111,297,616,874	91,584,618,965
	Total	143,389,246,613	122,298,610,919
11.4 Sundry deposits			
Sundry creditors		318,595,953	211,313,635
Foreign currency held against back to back L/C		1,000	1,000
Margin on Letter of Guarantee		810,763,411	697,942,176
Margin on Letter of Credit		886,742,459	886,214,818
Margin on FDBP/IBP/Export bills etc.		300,926,056	316,927,956
Sales proceeds of PSP/BSP etc.		202,205,000	208,300,000
Risk Fund		4,996,989	5,554,071
Service charge		2,935,189	1,814,024
Security Money		18,251,171	10,224,720
SBL Employees Provident Fund		7,568	118,626
SBL Employees W. Fund		1,008,396	1,007,096
Interest payable on deposits		5,200,573,973	5,015,904,810
VAT, Excise Duty and Income Tax		451,013,703	370,744,139
Central Fund (RMG Sector)		913,161	827,708
Others		8,835,143	11,000,531
		8,207,769,171	7,737,895,310
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		11,570,000,000	12,410,000,000
Over 1 year but within 5 years		-	-
Over 5 years but within 10 years		-	-
Over 10 years		-	-
		11,570,000,000	12,410,000,000

		Amount in Taka	
		31.12.2018	31.12.2017
11.6	Maturity analysis (Deposits received from other than banks)		
	Repayable on demand	4,925,419,575	6,009,656,500
	Up to 1 month	921,296,151	4,642,521,504
	Over 1 month but within 3 months	19,451,459,043	19,308,810,490
	Over 3 months but within 1 year	31,257,161,918	25,488,205,171
	Over 1 year but within 5 years	45,629,747,549	30,917,225,289
	Over 5 years but within 10 years	41,204,162,376	35,932,191,966
	Over 10 years	-	-
		143,389,246,613	122,298,610,919
11.7	Maturity analysis (Bills payable)		
	Repayable on demand	2,890,076,248	2,671,530,602
	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	-	-
		2,890,076,248	2,671,530,602
11.8	Payable on Demand and Time Deposits		
	i. Demand Deposits		
	Current / Al-wadeeah current Deposits	7,036,313,678	6,677,396,111
	Savings Deposits/Mudaraba Savings deposits (10%)	1,108,653,995	1,035,000,685
	Foreign Currency Deposits (non interest/profit bearing)	2,870,930,690	3,277,163,080
	Sundry deposits	8,207,769,171	7,737,895,310
	Bills payable	2,890,076,248	2,671,530,602
		22,113,743,782	21,398,985,788
	ii. Time Deposits		
	Savings deposits/Mudaraba savings deposits (90%)	9,977,885,956	9,315,006,166
	Fixed deposits/Mudaraba Term Deposits	107,826,077,009	90,433,874,209
	Short term deposits/Mudaraba short term deposits	6,185,200,592	4,758,715,053
	Deposits under schemes	8,856,339,273	8,802,029,703
	Foreign currency deposits (interest/profit bearing)	-	-
		132,845,502,830	113,309,625,131
		154,959,246,613	134,708,610,919
11.9	Fixed Deposits- Maturity wise Grouping(including Bank Deposit)		
	Repayable within 01 month	2,929,568,286	6,696,156,083
	Repayable over 1 months but within 03months	18,832,938,984	18,832,938,984
	Repayable over 3 months but within 1 year	22,195,130,827	19,265,562,540
	Repayable over 1 year but within 5 years	31,520,615,809	18,509,054,339
	Repayable over 5 years but within 10 years	32,347,823,103	27,130,162,263
	Unclaimed Deposits for 10 years and above	-	-
		107,826,077,009	90,433,874,209

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
Sbl Kotipoti Plus
SBL 1.5 Times Income Program

Amount in Taka	
31.12.2018	31.12.2017
5,124,693,252	4,324,878,044
1,855,070,934	2,946,555,083
822,210,101	405,103,091
346,667,010	504,889,826
138,456,458	241,781,139
200,000	200,000
57,893,897	52,547,355
180,310,109	84,893,656
70,696,000	-
260,141,511	241,181,509
8,856,339,272	8,802,029,703

11.12 Sector -wise deposits

Government & autonomous
Deposit Money Bank
Other public sector
Foreign Currency
Private

5,087,252,181	5,087,252,181
11,570,000,000	12,410,000,000
2,391,771,668	2,391,771,668
2,870,930,690	3,277,163,080
133,039,292,074	111,542,423,990
154,959,246,613	134,708,610,919

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.

18,115,013,540	17,692,454,501
-	-
-	-
1,453,599	22,075,381
-	-
18,116,467,138	17,714,529,882

Bills payable

Standard Bank Limited (note-11.3)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

2,890,076,248	2,671,530,602
-	-
-	-
-	-
-	-
2,890,076,248	2,671,530,602

Savings bank/Mudaraba savings deposits

Standard Bank Limited (note-11.3)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

11,086,539,951	10,350,006,851
-	-
-	-
-	-
-	-
11,086,539,951	10,350,006,851

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.

6,185,200,592	4,758,715,053
-	-
-	-
-	-
-	-
6,185,200,592	4,758,715,053

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.

Deposits under schemes

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	
31.12.2018	31.12.2017
107,826,077,009	90,433,874,209
-	-
-	-
-	-
-	-
107,826,077,009	90,433,874,209
8,856,339,273	8,802,029,703
-	-
-	-
-	-
-	-
8,856,339,273	8,802,029,703
154,960,700,212	134,730,686,300

12. OTHER LIABILITIES

Provision for Taxation (note-12.1)
Deferred Tax (note-12.1(i))
Accrued Expenses
General Provision for Unclassified Loans (note-12.2)
General Provision for SMA (note-12.2)
Specific provision for Classified loans (note-12.2)
Provision for classified others Assets (note-12.6)
Provision for decrease in value of investments (note-12.7)
Provision for Off-Balance Sheet Items (note-12.3)
Interest Suspense Account (note-12.4)
Provision for Nostro A/c
Provision for Bonus (note-12.5)
Provision for LFC
Provision for Depreciation
Provision for interest waived (note-12.11)
SBL Foundation
Provision For Gratuity
Provision for Green Banking
Dividend Settlement A/C
Provision for Incentive of good borrower
Commission Payable Account
Payable to OBU
Provision for unforeseen losses
Profit receivable on Bai Murabaha/Bai Muajjal
Exchange House
MFS Settlement Account
Islamic Settlement Account
Swift Charge Payable A/C
Written-Off Loan Recovery A/C
Foreign Currency translation gains (note-12.10)

9,178,141,487	8,338,383,501
85,856,347	71,247,558
39,899,205	39,021,281
1,154,156,615	1,039,869,609
1,731,623	2,012,274
2,271,043,588	2,190,571,867
36,218,603	36,218,603
4,775,231	4,775,231
432,951,086	419,198,686
419,819,013	203,557,538
42,575	42,575
108,411,484	205,916,120
32,211,200	26,497,251
-	-
30,000,000	30,000,000
70,000,000	-
15,500,000	13,000,000
25,830	25,830
8,738,004	9,014,716
405,136	123,693
8,830,586	32,733
8,041,284	8,041,284
15,658,431	21,113,754
13,614,215	16,938,385
69,261	69,261
-	768,357
105,058	-
4,711,961	-
10,336,741	10,886,791
Total	13,951,294,565
	12,687,326,898

		Amount in Taka	
		31.12.2018	31.12.2017
12.1	Provision for Taxation		
	Opening Balance	8,338,383,501	7,383,301,414
	Addition during the period	839,757,986	955,082,087
		9,178,141,487	8,338,383,501
	Adjustment during the period	-	-
	Closing Balance	9,178,141,487	8,338,383,501

Provision for taxation has been made on accounting profit considering taxable allowances/disallowances as per Income Tax Ordinance 1984.

12.1(a)	Consolidated Provision for Taxation				
	Standard Bank Limited (note-12)			9,178,141,487	8,338,383,501
	Standard Exchange Co.(UK) Ltd.			-	-
	Standard Express(USA) Ltd.			-	-
	SBL Capital Mgt. Ltd.	31.12.2108	31.12.2017	278,494,451	246,347,338
	Opening Balance	246,347,338	201,459,401		
	Addition during the period	32,192,032	44,887,937		
	Adjustment during the period	44,919			
	Closing Balance	278,494,451	246,347,338		
	SBL Securities Ltd.			49,217,067	60,584,490
	Opening Balance	60,584,490	44,203,094		
	Addition during the period	13,746,067	24,552,244		
	Adjustment during the period	25,113,490	8,170,848		
	Closing Balance	49,217,067	60,584,490	9,505,853,005	8,645,315,329

12.1(i)	Deferred Tax :		
	Opening Balance	71,247,558	51,974,753
	Additional provision made during the period	14,608,789	19,272,805
		85,856,347	71,247,558
	Adjustment during the period	-	-
	Closing Balance	85,856,347	71,247,558

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	1,039,869,609	1,021,631,836
	Additional provision made for the period	114,287,006	18,237,773
	Provision held at the end of the period	1,154,156,615	1,039,869,609
	ii) The movement in general provision on Special Mention Account (SMA) loans:		
	Provision held at the beginning of the year	2,012,274	4,438,823
	Amount transferred to provision for bad & doubtful debts	-	-
	Additional provision made for the period	(280,651)	(2,426,549)
	Provision held at the end of the period	1,731,623	2,012,274
	iii) The movement in specific provision for bad and doubtful debts:		

		Amount in Taka	
		31.12.2018	31.12.2017
	Provision held at the beginning of the Period	2,190,571,867	1,894,369,740
	Amount adjusted during the Period	-	400
	Amount written off during the Period	(1,000,238,095)	(573,733,679)
	Additional amount of provision made for the Period	-	-
	Amount of provision for the Period	1,080,709,816	869,935,406
	Provision held at the end of the period	2,271,043,588	2,190,571,867
	Total	3,426,931,827	3,232,453,750
12.3	The movement in General provision for Off Balance Sheet Items:		
	Provision held at the beginning of the Period	419,198,686	334,866,064
	Additional provision for the period	13,752,400	84,332,622
	Provision held at the end of the period	432,951,086	419,198,686
12.4	Interest Suspense Account		
	Balance at the beginning of the Period	203,557,538	236,548,859
	Amount transferred to " Interest Suspense A/c" during the period +	353,056,196	56,153,964
	Amount recovered in " Interest Suspense A/c" during the period (-)	135,689,572	15,988,546
	Amount written off during the Period (-)	1,105,149	73,156,739
	Balance at the end of the period	419,819,013	203,557,538
12.5	Provision for Bonus		
	Balance at the beginning of the period	205,916,120	199,480,377
	Add: Additional provision for the period	100,000,000	180,000,000
	Less: Disbursement during the period	197,504,636	173,564,257
		108,411,484	205,916,120
12.6	Provision for other Assets		
	a) Provision against protested bill		
	Balance at the beginning of the period	28,737,128	28,737,128
	Add: Addition during the period	-	-
		28,737,128	28,737,128
	b) Provision against suspense		
	Balance at the beginning of the period	7,481,475	7,481,475
	Less: Amount written off during the Period	-	-
	Add: Addition during the period	-	-
		7,481,475	7,481,475
	Total Provision for other Assets	36,218,603	36,218,603
12.6(a)	Consolidated Provision for Other Assets		
	Standard Bank Limited (note-12.7)	36,218,603	36,218,603
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	489,064	489,064
	Add: Addition during the period	-	-
		36,707,667	36,707,667

		Amount in Taka	
		31.12.2018	31.12.2017
12.7	Provision for decrease in value of Investments		
	Balance at the beginning of the Period	4,775,231	4,775,231
	Less: adjustment during the period	-	-
	Add: Addition during the period	-	-
		4,775,231	4,775,231
12.7(a)	Consolidated Provision for decrease in value of Investments		
	Standard Bank Limited (note-12.7)	4,775,231	4,775,231
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	445,168,793	445,168,793
	Add: Addition during the period	1,633,580	-
	SBL Securities Ltd.	23,506,999	17,266,746
	Add: Addition during the period	13,873,167	6,240,253
		488,957,770	473,451,023
12.8	Provision for impairment of client margin loan		
	Balance at the beginning of the period	-	-
	Less: adjustment during the period	-	-
	Add: Addition during the period	-	-
		-	-
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.	319,392,228	253,028,243
	Add: Addition during the period	9,350,766	66,363,985
	SBL Securities Ltd.	1,470,142	1,444,402
	Add: Addition during the period	2,215,371	25,740
		332,428,507	320,862,370
12.9	Branch Adjustment		
	Branch adjustments account represents outstanding inter branch and head office transactions originated 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.	(2,418,859)	(818,809)
	Beginning of the Period	(818,809)	(5,144,929)
	Addition during the period	-	-
	Adjustment during the period	1,600,050	(4,326,120)
		12,755,600	11,705,600
	Standard Express(USA) Ltd.		
	Beginning of the Period	11,705,600	6,245,600
	Addition during the period	1,050,000	5,460,000
	Adjustment during the period	-	-
	Total Foreign Currency translation gains	10,336,741	10,886,791
	Less: Foreign Currency translation loss		

		Amount in Taka	
		31.12.2018	31.12.2017
	Beginning of the Period	-	-
	Addition during the period	-	-
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
		10,336,741	10,886,791
12.11	Provision for interest waived		
	Balance at the beginning of the Period	-	-
	Add: Additional provision for the Period	-	-
	Less: Disbursement during the period	-	-
		-	-
12.12	Provision for SBL Foundation		
	Balance at the beginning of the Period	30,000,000	30,000,000
	Add: Additional provision for the Period	30,000,000	30,000,000
	Less: Fund transfer to SBL Foundation	30,000,000	30,000,000
		30,000,000	30,000,000
12.13	Provision for Gratuity		
	Balance at the beginning of the Period	627,992,017	501,595,223
	Add: Additional provision for the Period	274,018,537	145,004,484
	Less: Adjusted / transferred to Fund	38,123,643	18,607,690
		863,886,911	627,992,017
12.14	Provision for Incentive of good borrower		
	Balance at the beginning of the Period	9,014,716	10,000,000
	Add: Additional provision for the Period	-	-
	Less: Disbursement during the period	276,712	985,284
		8,738,004	9,014,716
12.15	Provision for Green Banking		
	Balance at the beginning of the Period	13,000,000	10,500,000
	Add: Additional provision for the Period	2,500,000	2,500,000
	Less: Adjustment during the period	-	-
		15,500,000	13,000,000
12(a)	Consolidated other liabilities		
	Standard Bank Limited (note-12)	13,951,294,565	12,687,326,898
	Standard Exchange Co.(UK) Ltd.	16,005,477	12,345,762
	Standard Express(USA) Ltd.	109,462,650	81,550,457
	SBL Capital Mgt. Ltd.	1,069,417,086	1,013,339,232
	SBL Securities Ltd.	132,500,287	339,154,229
		15,278,680,064	14,133,716,579
13.	Share Capital		
13.1	Authorized Capital		
	150,00,00,000 ordinary shares of Tk. 10/- each	15,000,000,000	15,000,000,000

The Bank increased its 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 on 14th 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 History of Paid-up Capital

Given below the history of raising of share capital:

			Amount in Taka	
			31.12.2018	31.12.2017
Accounting Year	Declaration	No of Share	Value in capital	Value in capital
1999	Opening Capital	20,000,000	200,000,000	200,000,000
2002	20% Bonus	4,000,000	40,000,000	240,000,000
2003	Additional Capital	9,000,000	90,000,000	330,000,000
	Initial public offer (IPO)	33,000,000	330,000,000	660,000,000
2003	15% Bonus	9,900,000	99,000,000	759,000,000
2004	20% Bonus	15,180,000	151,800,000	910,800,000
2005	20% Bonus	18,216,000	182,160,000	1,092,960,000
2006	20% Bonus	21,859,200	218,592,000	1,311,552,000
2007	12% Bonus	23,607,936	236,079,360	1,547,631,360
	Right Share (2:1)	65,577,600	655,776,000	2,203,407,360
2008	20% Bonus	44,068,147	440,681,470	2,644,088,830
2009	20% Bonus	52,881,770	528,817,700	3,172,906,530
2010	28% Bonus	88,841,383	888,413,830	4,061,320,360
2011	20% Bonus	81,226,407	812,264,070	4,873,584,430
2012	17% Bonus	82,850,935	828,509,350	5,702,093,780
2014	15% Bonus	85,531,407	855,314,070	6,557,407,850
2015	15% Bonus	98,361,117	983,611,170	7,541,019,020
2016	5% Bonus	37,705,095	377,050,950	7,918,069,970
2017	10% Bonus	79,180,699	791,806,990	8,709,876,960

13.3 Issued, subscribed and fully Paid up Capital :

66,000,000 ordinary shares of Taka 10/- each issued for cash	660,000,000	660,000,000
739,410,960 ordinary shares of Taka 10/- each issued as bonus shares	7,394,100,960	6,602,293,970
65,577,600 ordinary shares of Taka 10/- each issued as Right shares in 2007	655,776,000	655,776,000
	8,709,876,960	7,918,069,970

13.4 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.

13.5 Rights issue

Bank has increased its paid up capital by issuance of 2:1 rights share at par on 8 November 2007.

13.6 Particulars of fully Paid up Share Capital :

Particulars	Amount in Taka			
	31.12.2018		31.12.2017	
	Number of shares		Number of shares in (%)	
	31.12.2017	31.12.2018	31.12.2017	31.12.2018
Sponsors/Promoters	278,476,052	303,799,779	35%	34.88%
Investment Corporation of Bangladesh	32,094,619	35,304,080	4%	4.05%
ICB Unit Fund, ICB Mutual Fund & ICB Investors Account	27,317,341	31,259,541	3%	3.59%
Financial Institutions	83,694,000	178,987,972	11%	20.55%
General Public	370,224,985	321,636,324	47%	36.93%
Total	791,806,997	870,987,696	100%	100%

13.7 Classification of Shareholders by holding as on 31 December, 2018

Shareholding range	Number of Share holders	No. of shares	No. of shares
01-500	8653	2,544,676	1,334,621
501-5000	10414	20,152,255	23,224,264
5001-10000	2296	15,928,120	15,235,271
10001-20000	1332	18,563,343	17,064,904
20001-30000	440	10,821,795	10,143,081
30001-40000	165	5,716,860	6,274,388
40001-50000	121	5,480,282	6,823,156
50001-100000	255	17,904,724	18,097,122
100001-1000000	335	102,168,976	106,075,495
1000001-10000000	94	270,320,150	261,173,318
10000001 and above	19	401,386,515	326,361,377
	24124	870,987,696	791,806,997

13.8 Capital to Risk Weighted Assets Ratio (CRAR) under BASEL-III(Solo basis)

The calculation of CRAR under Basel III (Solo basis) has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014. The required capital as well as total maintained regulatory capital of the Bank at the close of business on 31 December 2018 is shown below:

Tier-I Capital (Going-Concern Capital)

	Taka	Taka
Paid up Capital	8,709,876,960	7,918,069,970
Statutory Reserve (note-14)	5,016,857,784	4,595,037,104
General Reserve	-	-
Surplus Profit & Loss Account/Retained Earnings	948,987,017	798,884,512
Sub Total	14,675,721,761	13,311,991,586
Regulatory Adjustments	4,489,875,767	32,539,939
Total Tier-I Capital	10,185,845,994	13,279,451,647

	Amount in Taka	
	31.12.2018	31.12.2017
Tier-II Capital (Gone -Concern Capital)		
General Provision maintained against unclassified loan/ investment (note-12.2(i+ii))	1,154,156,615	1,041,881,883
Provision for Off-Balance sheet exposure(note-12.3)	432,951,086	419,198,686
SBL Subordinate Bond	5,200,000,000	5,600,000,000
Revaluation gain/loss on Securities 50% of revaluation reserves as on 31 December 2014	13,132,709	13,132,709
Sub Total	6,800,240,410	7,074,213,278
Regulatory Adjustments	10,480,000	7,879,625
Total Tier-II Capital	6,789,727,702	7,066,333,653
A. Total Regulatory Capital	16,975,573,696	20,345,785,300
B. Total Risk Weighted Assets	168,134,931,970	143,443,427,799
C. Minimum Capital Requirement (MCR@10%)	16,813,493,197	14,344,342,780
D. Surplus/(Deficit) (A-C)	162,080,494	6,001,442,520
Capital to Risk Weighted Assets Ratio ((A/B)*100)	10.10%	14.18%
Percentage of Capital to Risk weighted Assets:		
Capital Requirement		
Minimum Common Equity Tier-I Capital	4.50%	4.50%
Minimum Tier-I Capital	5.50%	5.50%
Tier-II Capital	Not specified	Not specified
Total	10.00%	10.00%

13.8(a) Capital to Risk Weighted Assets Ratio (CRAR) under BASEL-III(Consolidated basis)

The calculation of CRAR under Basel III (Consolidated basis) has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014. The required capital as well as total maintained regulatory capital of the Bank at the close of business on 31 December 2018 is shown below:

	Taka	Taka
Tier-I Capital (Going-Concern Capital)		
Paid up Capital	8,709,876,960	7,918,069,970
Statutory Reserve (note-14a)	5,016,857,784	4,595,037,104
General Reserve	-	-
Minority interest in subsidiaries	150,628	147,640
Surplus Profit & Loss Account/Retained Earnings	934,630,421	894,282,045
Sub Total	14,661,515,792	13,407,536,759
Regulatory Adjustments	4,523,919,759	70,181,379
Total Tier-I Capital	10,137,596,033	13,337,355,380

Tier-II Capital (Gone -Concern Capital)

 General Provision maintained against unclassified loan/
 investment (note-12.2)

Provision for Off-Balance sheet exposure(note-12.3)

 Revaluation gain/loss on Securities 50% of revaluation reserves
 as on 31 December 2014 (Tk. 26265418.00)

Sub Total
Regulatory Adjustments
Total Tier-II Capital
A . Total Capital
B. Total Risk Weighted Assets
C. Minimum Capital Requirement (MCR@10%)
D. Surplus/(Deficit) (A-C)
Capital to Risk Weighted Assets Ratio ((A/B)*100)
Percentage of Capital to Risk weighted Assets:
Capital Requirement

Minimum Common Equity Tier-I Capital

Minimum Tier-I Capital

Tier-II Capital

Total
14 Statutory Reserve

Opening balance at the beginning of the Period

Addition during the period

Closing balance at the end of the Period
14(a) Consolidated Statutory Reserve

Opening balance at the beginning of the Period

Addition during the period

Closing balance at the end of the Period
15. General Reserve

Opening balance at the beginning of the Period

Addition during the period

Closing balance at the end of the Period

	Amount in Taka	
	31.12.2018	31.12.2017
General Provision maintained against unclassified loan/ investment (note-12.2)	1,154,156,615	1,041,881,883
Provision for Off-Balance sheet exposure(note-12.3)	432,951,086	419,198,686
Revaluation gain/loss on Securities 50% of revaluation reserves as on 31 December 2014 (Tk. 26265418.00)	5,200,000,000	5,600,000,000
	13,132,709	13,132,709
Sub Total	6,800,240,410	7,074,213,278
Regulatory Adjustments	10,480,000	7,879,625
Total Tier-II Capital	6,789,727,702	7,066,333,653
A . Total Capital	16,927,173,107	20,403,689,033
B. Total Risk Weighted Assets	169,827,545,212	146,143,687,057
C. Minimum Capital Requirement (MCR@10%)	16,982,754,521	14,614,368,706
D. Surplus/(Deficit) (A-C)	(55,430,786)	5,789,320,327
Capital to Risk Weighted Assets Ratio ((A/B)*100)	9.97%	13.96%
Percentage of Capital to Risk weighted Assets:		
Capital Requirement	31.12.2017	31.12.2017
	Required	Required
Minimum Common Equity Tier-I Capital	4.50%	4.50%
Minimum Tier-I Capital	5.50%	5.50%
Tier-II Capital	Not specified	Not specified
Total	10.00%	10.00%
14 Statutory Reserve		
Opening balance at the beginning of the Period	4,595,037,104	4,175,158,942
Addition during the period	421,820,680	419,878,162
Closing balance at the end of the Period	5,016,857,784	4,595,037,104
14(a) Consolidated Statutory Reserve		
Opening balance at the beginning of the Period	4,595,037,104	4,175,158,942
Addition during the period	421,820,680	419,878,162
Closing balance at the end of the Period	5,016,857,784	4,595,037,104
15. General Reserve		
Opening balance at the beginning of the Period	-	-
Addition during the period	-	-
Closing balance at the end of the Period	-	-

		Amount in Taka	
		31.12.2018	31.12.2017
15.1	Revaluation gain/loss on investments		
	Opening balance at the beginning of the Period	2,638,743	23,697,443
	Adjustment during the Period	164,065,073	90,953,749
	Addition during the period	316,311,624	69,895,049
	Closing balance at the end of the Period	154,885,294	2,638,743
15.1(a)	Consolidated revaluation gain/loss on investment		
	Standard Bank Limited	154,885,294	2,638,743
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		154,885,294	2,638,743
16.	Retained earnings/movement of profit and loss account		
	Balance on 1 January	798,884,512	785,832,258
	Add: Net Profit after tax for the Period	1,254,736,625	1,125,035,916
	Add: Transfer from SCML	63,995,200	29,998,800
	Add: Transfer from SBSL	44,998,350	31,997,600
	Less: Transfer to statutory Reserve	(421,820,680)	(419,878,162)
	Less: Cash/Stock dividend	(791,806,990)	(754,101,900)
	Balance at	948,987,017	798,884,512
16(a)	Consolidated retained earnings/movement of profit and loss account		
	Balance on 1 January	894,282,045	832,722,855
	Add: Net Profit after tax for the Period	1,255,547,301	1,238,450,432
	Less: Transfer to statutory Reserve	(421,820,680)	(419,878,162)
	Add/Less: Foreign Currency translation Gain/ loss	(1,568,268)	(2,903,794)
	Less: Minority Interest	(2,988)	(7,386)
	Less: Cash/Stock dividend	(791,806,990)	(754,101,900)
	Balance at	934,630,421	894,282,045
16.1	Retained Earnings carried forward from previous Period		
	Balance on 1 January	93,726,758	164,001,324
	Add: Net Profit after tax & statutory reserve for the previous Period	705,157,754	621,830,934
	Add: Transfer from SCML	63,995,200	29,998,800
	Add: Transfer from SBSL	44,998,350	31,997,600
	Less: Cash/Stock dividend	(791,806,990)	(754,101,900)
	Balance at	116,071,072	93,726,758
16.1(a)	Consolidated Retained Earnings carried forward from previous Period		
	Balance on 1 January	75,709,775	166,248,037
	Add: Net Profit after tax & statutory reserve for the previous Period	818,572,270	666,474,818
	Add/ Less: Foreign Currency translation Gain /(loss)	(1,568,268)	(2,903,794)
	Less: Minority Interest	(2,988)	(7,386)
	Less: Cash/Stock dividend	(791,806,990)	(754,101,900)
	Balance at	100,903,799	75,709,775

		Amount in Taka	
		31.12.2018	31.12.2017
16.1(b)	Minority Interest		
	SBL Capital Mgt. Ltd.		
	Balance on 1 January	68,992	67,076
	Add: Addition during the period	313	1,916
	Sub Total	69,305	68,992
	Standard Bank Securities Ltd.		
	Balance on 1 January	78,648	73,178
	Add: Addition during the period	2,675	5,470
	Sub Total	81,323	78,648
	Balance at	150,628	147,640
17.	CONTINGENT LIABILITIES		
17.1	Acceptances and Endorsements		
	Back to Back L/C (Foreign)	-	92,535,948
	Back to Back L/C (Local)	4,518,439,185	5,199,038,899
	Letter of Credit (Others)	11,881,708,551	10,677,992,079
		16,400,147,736	15,969,566,926
17.2	Letter of Guarantee		
	Letter of Guarantee(Local)	12,645,612,684	10,071,541,872
	Letter of Guarantee(Foreign)	82,439,860	101,965,425
	Others	-	-
		12,728,052,544	10,173,507,297
	Money for which the Bank is contingently liable in respect of guarantees given favoring:		
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	Others	12,728,052,544	10,173,507,297
		12,728,052,544	10,173,507,297
17.3	Irrevocable Letter of Credit		
	Letter of Credit (Sight)	10,620,560,170	7,994,455,705
	Letter of Credit (Usance)	3,546,348,183	3,393,659,120
	Letter of Credit (Others)	-	-
		14,166,908,353	11,388,114,825
17.4	Bill for Collection		
	Inward local bill for collection	-	-
	Inward Foreign bill for collection	-	-
	Outward local bill for collection	3,123,261,790	2,719,074,251
	Outward Foreign bill for collection	3,023,257,232	1,669,605,301
		6,146,519,022	4,388,679,552

		Amount in Taka	
		31.12.2018	31.12.2017
17.5	Other Contingent Liabilities	-	-
		-	-
		-	-
		49,441,627,655	41,919,868,600
17(a)	Consolidated contingent liabilities		
	Acceptances and endorsements		
	Standard Bank Limited (note-17)	16,400,147,736	15,969,566,926
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		16,400,147,736	15,969,566,926
	Letters of guarantee		
	Standard Bank Limited (note-17)	12,728,052,544	10,173,507,297
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		12,728,052,544	10,173,507,297
	Irrevocable Letters of Credit		
	Standard Bank Limited (note-17)	14,166,908,353	11,388,114,825
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		14,166,908,353	11,388,114,825
	Bills for Collection		
	Standard Bank Limited (note-17)	6,146,519,022	4,388,679,552
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		6,146,519,022	4,388,679,552
	Other Contingent liabilities		
	Standard Bank Limited (note-17)	-	-
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		-	-
		49,441,627,655	41,919,868,600

18 Income Statement
Income:

	Amount in Taka	
	31.12.2018	31.12.2017
Interest/ profit, discount and similar income (note-18.1)	14,202,916,047	10,557,249,848
Dividend income (note-20)	24,602,475	25,307,503
Fees, Commission and brokerage (note-21.1)	560,989,793	532,486,433
Gains Less Losses arising from dealing in securities (note-20)	25,973,213	3,302,661
Gains Less Losses arising from Investment securities (note-20)	1,687,471,203	1,815,298,436
Gains Less Losses arising from dealing in Foreign Currencies (Note-21.2)	438,891,630	417,654,375
Income from non banking assets	-	-
Other operating income (note-22)	444,402,452	329,300,519
Profit less losses on interest rate changes	-	-

Total	17,385,246,813	13,680,599,775
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Expenses:

Interest/profit paid on deposit, Borrowings etc.(note-19)	10,479,391,400	7,574,695,794
Losses on loans and advances/Investments	-	-
Administrative Expenses (note-18.2)	2,846,706,035	2,460,249,025
Other operating expenses (note-33)	553,968,025	446,523,896
Depreciation on Banking assets (note-32)	187,609,381	129,660,999

Total	14,067,674,841	10,611,129,714
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Operating Profit before Provision

3,317,571,972	3,069,470,061
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18(a) Consolidated Income Statement
Income:

Standard Bank Limited (note-18)	17,385,246,813	13,680,599,775
Standard Exchange Co.(UK) Ltd.	17,923,485	13,006,881
Standard Express(USA) Ltd.	87,194,576	106,321,040
SBL Capital Mgt. Ltd.	59,800,852	174,024,743
Standard Bank Securities Ltd.	73,557,097	117,364,037

Total	17,623,722,823	14,091,316,476
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Expenses:

Standard Bank Limited (note-18)	14,067,674,841	10,611,129,714
Standard Exchange Co.(UK) Ltd.	19,194,426	16,195,709
Standard Express(USA) Ltd.	113,224,672	104,720,800
SBL Capital Mgt. Ltd.	15,253,270	15,439,164
Standard Bank Securities Ltd.	16,981,983	18,876,353

Total	14,232,329,192	10,766,361,740
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Consolidated Operating Profit before Provision

3,391,393,631	3,324,954,736
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18.1 Interest/profit , Discount and similar income

Interest/profit received from Loans and advances/Investments (note-18.3)	13,928,179,007	10,414,530,373
Interest/profit received from FC clearing Account	6,984,626	5,247,175
Interest/profit received from Bank and other financial institutions	267,752,414	137,472,300

14,202,916,047	10,557,249,848
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18.2 Administrative Expenses

Salary and allowances (note-23)
Rent, Taxes, Insurance, Electricity etc.(note-24)
Legal expenses (note-25)
Postage, stamp, telecommunication etc.(note-26)
Stationery, Printings, advertisement etc.(note-27)
Managing Director's salary and fees (note-28)
Directors' Fees (note-29)
Auditor's fees (note -30)
Repair of Bank's assets (note-32)

Amount in Taka	
31.12.2018	31.12.2017
2,059,315,460	1,812,074,323
570,336,818	470,481,785
20,753,562	14,102,129
27,496,405	22,746,783
93,090,436	76,333,597
10,540,000	10,540,000
6,690,564	8,375,718
862,500	759,000
57,620,290	44,835,690
2,846,706,035	2,460,249,025

Expenses included VAT on which applicable

18.3 Interest/profit received from Loans and advances/Investments

Secured overdraft/Quard against TDR
Term Loan
Export Development Fund (EDF)
Agriculture Loan
Cash credit/ Murabaha
House Building loans
Staff Loans
Transport Loans
Loans against trust receipt
Payment against document
Packing credit
Demand Loan
Lease Finance / Izara
Syndicate/Club Finance
VISA Credit Card
SME/SE
Green Finance
Consumer Credit Scheme/Hire purchase
Inland bills purchased
Foreign bills purchased and discounted

2,553,217,721	1,931,314,310
2,831,437,418	2,303,103,352
30,658,074	88,757,604
726,127,908	650,095,866
1,660,693,981	1,363,741,423
285,016,092	234,369,791
14,602,729	9,937,189
102,214,249	79,879,720
915,774,314	693,955,563
297,580,873	300,190,303
42,134,388	31,435,893
1,070,612,933	707,804,111
137,765,744	131,146,359
222,000,520	267,106,527
60,404,087	38,218,413
2,685,485,980	1,383,431,393
1,125,333	1,466,718
26,786,408	25,971,961
234,664,506	152,601,508
29,875,750	20,002,369
13,928,179,007	10,414,530,373

Total interest on loans and advances/Investments

Interest / profit received from FC clearing account
Interest/profit received from Bank and other Financial Institution
Interest on Call Loans

6,984,626	5,247,175
262,012,456	109,956,467
5,739,958	27,515,833
274,737,040	142,719,475

Total 14,202,916,047 10,557,249,848

18.3(a) Consolidated interest income/profit on investment

Standard Bank Limited (note-18.3)
Standard Bank Limited (Intt. Received from SCML)
Standard Bank Limited (Intt. Received from SBSL)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
Standard Bank Securities Ltd.

14,202,916,047	10,557,249,848
(190,844,266)	(149,828,173)
(25,913,639)	(5,372,293)
-	-
538,483	218,618
156,586,691	133,996,145
46,395,756	36,100,456
14,189,679,073	10,572,364,601

		Amount in Taka	
		31.12.2018	31.12.2017
19.	Interest/profit paid on deposits, borrowings, etc.		
	Interest/Profit paid on deposits (note -19.1)	9,780,383,942	7,187,548,690
	Interest paid on borrowings (note -19.1)	699,007,458	387,147,104
		10,479,391,400	7,574,695,794
19.1	Interest / Profit paid on deposits ,borrowing etc of the Bank		
	Interest / Profit paid on deposits		
	Savings Bank / Mudaraba Savings Deposits	216,493,776	195,844,911
	Short Term Deposits / Mudaraba Short Term Deposits	155,552,753	118,720,524
	Fixed Deposits / Mudaraba Term Deposits	8,384,849,464	5,640,486,600
	Deposits Under Schemes / Mudaraba Deposit Schemes	1,021,338,031	1,232,453,040
	Interest Paid on Foreign Currency	2,149,918	43,615
		9,780,383,942	7,187,548,690
	Interest / Profit paid on borrowing		
	Interest paid on subordinated Bond	523,289,957	14,760,847
	Interest paid on call deposit	45,098,819	300,876,712
	Interest paid on Bangladesh Bank Refinance	2,695,602	4,888,656
	Interest paid on foreign Bank	112,790,487	47,916,590
	Intt Paid On Notice Money Borrowing	132,740	-
	Interest paid on ALS	222,222	-
	Interest paid on repurchase agreement(Repo)	14,777,631	18,704,299
		699,007,458	387,147,104
		10,479,391,400	7,574,695,794
19(a)	Consolidated interest / profit paid on Deposits, borrowings, etc.		
	Standard Bank Limited (note-19)	10,479,391,400	7,574,695,794
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	146,142
	Standard Bank Securities Ltd.	-	-
		10,479,391,400	7,574,841,936
20.	Income from Investment		
	Dividend on shares	24,602,475	25,307,503
	Gain on shares	25,973,213	3,302,661
	Interest/profit received from Subordinated Bond	80,637,773	75,131,322
	Interest income from Government Securities	1,198,428,451	1,312,794,792
	Capital Gain on Government Securities	408,404,979	427,372,322
		1,738,046,891	1,843,908,600
20(a)	Consolidated Income from Investment		
	Standard Bank Limited	1,738,046,891	1,843,908,600
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	72,427,956	147,999,375
	Standard Bank Securities Ltd.	33,863,932	47,178,454
		1,844,338,779	2,039,086,429
21.	Commission/Fees, Exchange and Brokerage		
	Commission /Fees (note-21.1)	560,989,793	532,486,433
	Exchange earnings (note-21.2)	438,891,630	417,654,375
	Brokerage	-	-
		999,881,423	950,140,808

		Amount in Taka	
		31.12.2018	31.12.2017
21.1	Commission		
	Commission on Import L/Cs	33,196,668	30,487,208
	Commission on Export L/Cs	171,455,433	160,157,835
	Commission on Back to Back L/Cs	211,179,044	209,934,909
	Commission on Bank Guarantee	122,519,655	106,255,825
	Commission on chanchyapatra	373,906	3,492,586
	Commission on Remittance	22,265,087	22,158,070
	Underwriting commission	-	-
		560,989,793	532,486,433
	Brokerage	-	-
		560,989,793	532,486,433
21.2	Exchange		
	Gains arising from Dealing Securities	-	-
	Less: Losses	-	-
	Gains arising from Investment Securities	-	-
	Less: Losses	-	-
	Gains arising from Foreign Trade Business	625,129,749	558,379,493
	Less: Losses	186,238,119	140,725,118
		438,891,630	417,654,375
21(a)	Consolidated Commission, Exchange and Brokerage		
	Standard Bank Limited (note-21)	999,881,423	950,140,808
	Standard Exchange Co.(UK) Ltd.	16,394,736	11,689,454
	Standard Express(USA) Ltd.	82,631,960	104,990,811
	SBL Capital Mgt. Ltd.	19,421,071	40,491,696
	Standard Bank Securities Ltd.	18,944,958	39,216,423
		1,137,274,148	1,146,529,192
22.	Other operating income		
	SWIFT & Telex charge recoveries	46,649,710	45,707,006
	Postage charge recoveries	24,260,812	20,891,436
	Service charges	147,184,676	108,546,024
	Rebate on nostro a/c	52,872,411	47,361,397
	Handling charges on EDF	46,725,042	34,164,608
	Locker charges	894,760	754,402
	LC advising charges	137,375	152,750
	Loan processing/documentation fees	43,858,249	16,227,412
	Capital Gain on Sale of Assets	220,987	2,887,175
	Service charges agst CIB/Clearing return	1,148,202	1,216,195
	Debit / VISA Card Fees	55,878,967	32,088,282
	Stationery Charge Recovery	39,208	249,153
	Handling Charge On Import Lc	1,803,957	1,186,640
	Handling Charge On Export Lc	10,610,292	8,593,017
	Handling Commission On Lease Finance	825,241	1,005,885
	Handling Charge On Pe-Hsia Booth	234,040	-
	Earning on Treasury FEX	1,099,947	834,171
	NPSB Settlement Income	3,155,219	2,229,731
	Miscellaneous earnings	6,803,357	5,205,235
		444,402,452	329,300,519

		Amount in Taka	
		31.12.2018	31.12.2017
22(a)	Consolidated other operating income		
	Standard Bank Limited (note-22)	444,402,452	329,300,519
	Standard Exchange Co.(UK) Ltd.	1,528,749	1,317,427
	Standard Express(USA) Ltd.	4,024,133	1,111,611
	SBL Capital Mgt. Ltd.	2,209,400	1,365,700
	Standard Bank Securities Ltd.	266,090	240,997
		452,430,824	333,336,254
23.	Salaries and allowances		
	Basic salary	768,803,265	666,046,666
	Allowances (note-23.1)	945,927,773	754,133,609
	Bonus & ex-gratia	231,070,094	300,683,350
	Bank's contribution to provident fund	76,473,722	65,978,048
	Casual wages	37,040,606	25,232,650
		2,059,315,460	1,812,074,323
23.1	Allowances		
	House rent allowances	385,319,799	333,097,390
	Conveyance allowances	72,273,060	67,626,292
	Entertainment allowances	12,387,491	56,574
	House maintenance & utility	19,422,527	11,266,260
	Medical allowances	93,316,152	94,644,678
	Risk allowances	2,289,400	1,985,493
	Washing allowances	1,845,795	1,888,937
	Remuneration for probationaries	81,413,423	80,513,711
	Charge allowances	2,347,663	2,161,948
	Leave Fare Compensation	32,119,141	26,124,313
	Gratuity	219,000,000	120,000,000
	Leave Encashment	23,774,062	14,172,913
	Extra allowances	419,260	595,100
		945,927,773	754,133,609
23(a)	Consolidated salaries and allowances		
	Standard Bank Limited (note-23)	2,059,315,460	1,812,074,323
	Standard Exchange Co.(UK) Ltd.	6,175,728	5,996,313
	Standard Express(USA) Ltd.	47,836,574	40,527,724
	SBL Capital Mgt. Ltd.	9,442,936	8,522,248
	Standard Bank Securities Ltd.	8,824,984	7,573,700
		2,131,595,682	1,874,694,309
24.	Rent, Taxes, Insurance, electricity, etc.		
	Rent- Office	351,558,994	285,713,423
	Rent- Godown	18,000	18,000
	Rates and taxes	63,261,280	51,358,101
	Insurance	85,740,742	73,592,814
	Utilities	69,757,802	59,799,447
		570,336,818	470,481,785

		Amount in Taka	
		31.12.2018	31.12.2017
24(a)	Consolidated Rent, Taxes, Insurance, electricity, etc.		
	Standard Bank Limited (note-24)	570,336,818	470,481,785
	Standard Exchange Co.(UK) Ltd.	5,672,385	5,820,401
	Standard Express(USA) Ltd.	36,616,072	31,716,900
	SBL Capital Mgt. Ltd.	1,841,011	1,835,823
	Standard Bank Securities Ltd.	1,873,945	1,898,483
		616,340,231	511,753,392
25.	Legal expenses		
	Legal Charges	11,108,358	7,937,800
	Fees ,Stamp & notary public expenses	9,645,204	6,164,329
		20,753,562	14,102,129
25(a)	Consolidated Legal expenses.		
	Standard Bank Limited (note-25)	20,753,562	14,102,129
	Standard Exchange Co.(UK) Ltd.	706,136	474,492
	Standard Express(USA) Ltd.	3,483,932	3,389,599
	SBL Capital Mgt. Ltd.	64,975	223,100
	Standard Bank Securities Ltd.	57,500	201,250
		25,066,106	18,390,570
26.	Postage, Stamps, Telecommunication etc.		
	Postage	18,398,038	14,454,399
	Telegram, telex, fax and e-mail	133,161	156,211
	Telephone, Mobile (office & residence)	8,965,206	8,136,173
		27,496,405	22,746,783
26(a)	Consolidated Postage, Stamps, Telecommunication etc.		
	Standard Bank Limited (note-26)	27,496,405	22,746,783
	Standard Exchange Co.(UK) Ltd.	59,070	183,784
	Standard Express(USA) Ltd.	1,991,407	1,918,793
	SBL Capital Mgt. Ltd.	56,754	61,271
	Standard Bank Securities Ltd.	223,305	230,490
		29,826,941	25,141,121
27.	Stationery, Printing, Advertisement etc.		
	Printing stationery	7,995,636	9,117,153
	Security stationery	3,306,720	1,983,732
	Petty stationery	12,740,956	7,784,399
	Computer stationery	18,790,022	12,763,925
	Publicity and advertisement	50,257,102	44,684,388
		93,090,436	76,333,597
27(a)	Consolidated Stationery, Printing, Advertisement etc.		
	Standard Bank Limited (note-27)	93,090,436	76,333,597
	Standard Exchange Co.(UK) Ltd.	339,133	343,078
	Standard Express(USA) Ltd.	4,548,211	4,501,196
	SBL Capital Mgt. Ltd.	147,883	261,231
	Standard Bank Securities Ltd.	178,410	183,519
		98,304,073	81,622,621

		Amount in Taka	
		31.12.2018	31.12.2017
28.	Managing Director's salary and fees		
	Basic salary	6,000,000	6,000,000
	House rent allowance	1,200,000	1,200,000
	Medical Allowances	360,000	360,000
	House maintenance & utility	480,000	480,000
	Bonus	2,000,000	2,000,000
	Leave Fare Compensation	500,000	500,000
		10,540,000	10,540,000
29.	Directors fees & meeting expenses		
	Directors fees	2,160,000	2,280,000
	Travelling and haltage	3,415,720	3,678,506
	Refreshment and dinner	1,114,844	2,417,212
		6,690,564	8,375,718
29(a)	Consolidated Directors fees & meeting expenses		
	Standard Bank Limited (note-29)	6,690,564	8,375,718
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	165,900	493,200
	SBL Capital Mgt. Ltd.	662,638	656,765
	Standard Bank Securities Ltd.	832,147	748,029
		8,351,249	10,273,712
30.	Audit fees	862,500	759,000
		862,500	759,000
30 (a)	Consolidated Auditors fees		
	Standard Bank Limited	862,500	759,000
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	23,000	-
	Standard Bank Securities Ltd.	-	-
		885,500	759,000
31.	Charges on loan losses		
	Loan-written off	-	-
	Interest waived	-	-
		-	-
31(a).	Consolidated charges on loan losses		
	Standard Bank Limited	-	-
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		-	-
32.	Depreciation and repair of Banks assets		
	Depreciation on Fixed Assets		
	Building	11,530,064	11,261,208
	Furniture & fixture	42,586,956	35,445,926
	Office appliance & equipment	76,605,479	38,164,297
	Computer	25,729,696	19,191,527
	Software	15,237,291	10,957,532
	Motor vehicle	15,919,895	14,640,509
		187,609,381	129,660,999

		Amount in Taka	
		31.12.2018	31.12.2017
	Repair, Renovation & Maintenance of Bank's Assets		
	Office furniture	1,041,704	245,845
	Office appliance & equipment	10,640,811	9,890,322
	Computer	1,446,732	2,016,865
	Software	29,136,540	20,925,341
	Motor vehicle	15,354,503	11,757,317
		57,620,290	44,835,690
	Total	245,229,671	174,496,689
32(a)	Consolidated depreciation and repair of Banks assets		
	Standard Bank Limited (note-32)	245,229,671	174,496,689
	Standard Exchange Co.(UK) Ltd.	524,558	650,951
	Standard Express(USA) Ltd.	4,192,779	5,152,282
	SBL Capital Mgt. Ltd.	568,081	405,748
	Standard Bank Securities Ltd.	1,080,042	1,097,032
		251,595,131	181,802,702
33.	OTHER EXPENSES		
	Entertainment (office)	20,895,759	16,023,623
	Donation & subscription	159,873,234	118,655,778
	Travelling	19,134,236	18,537,217
	Anniversary	5,002,734	737,438
	Branch /Subsidiary company opening expenses	10,627,267	4,061,778
	Training and seminar expenses	12,061,269	8,918,715
	Newspaper and periodicals	1,224,686	1,044,873
	Petrol, oil and lubricants	33,632,466	27,942,323
	Car expenses	36,027,405	29,395,307
	Photocopy expenses	3,091,603	3,311,970
	Staff uniform and liveries	3,589,351	2,904,514
	Cleaning and washing	6,536,763	5,108,839
	Premises up keeping	3,350,506	3,207,350
	Local conveyance	7,875,659	6,759,079
	Business development	9,685,976	4,368,320
	Freight and cartage	203,625	119,785
	Cook and servant	2,404,251	486,800
	Annual General Meeting	9,834,705	8,575,382
	Bank charges and commission paid	14,758,254	9,829,866
	Loss on sale of Assets	547,833	72,351
	On Line (ABB) expenses	458,667	326,182
	Managers Conference exp	15,979,150	11,191,771
	Performance award	7,800,000	685,638
	SBL welfare fund	12,764,066	12,301,394
	Generator expenses	9,016,664	9,135,660
	Connectivity fees	25,708,137	25,455,638
	CDBL Charges	237,835	-
	Visa Card Process charges	2,425,484	3,024,275
	Dhaka Stock Exchange	1,935,711	1,379,725
	Chittagong Stock Exchange	1,887,900	1,379,208
	Registered Joint Stock Company	-	69,919
	Membership fee to Central Shariah Board	500,000	500,000

		Amount in Taka	
		31.12.2018	31.12.2017
	Recruitment Expenses	4,866,500	-
	Calender ,dairy & greeting cards etc	34,121,360	26,419,250
	Green Banking	2,500,000	2,500,000
	SBL Foundation	30,000,000	30,000,000
	NPSB settlement expenses	874,520	605,056
	Discomfort Allowances	3,027,615	2,233,910
	Security Service-Out Sourcing	37,149,932	25,443,065
	Subordinated Bond Issue Expenses	-	22,425,000
	Nid Verification Charge	464,851	682
	Miscellaneous	1,892,051	1,386,215
		553,968,025	446,523,896
	Expenses included VAT on which applicable		
33(a)	Consolidated other expenses		
	Standard Bank Limited (note-33)	553,968,025	446,523,896
	Standard Exchange Co.(UK) Ltd.	5,717,416	2,726,690
	Standard Express(USA) Ltd.	14,389,797	17,021,106
	SBL Capital Mgt. Ltd.	2,445,991	3,326,836
	Standard Bank Securities Ltd.	3,911,650	6,943,850
		580,432,879	476,542,378
33.1	Nostro account maintenance		
	Nostro account maintenance	-	-
	Bank charge	-	-
		-	-
34	Provision for loans/Investments,off balance sheet exposure & other assets		
	Provision for bad and doubtful loans and advances/investments	1,080,709,816	869,935,406
	Provision for SMA loans and advances/investments	(280,651)	(2,426,549)
	Provision for unclassified loans & advances/Investments	114,287,006	18,237,773
	Provision for off balance sheet exposure	13,752,400	84,332,622
	Provision for other assets	-	-
	Provision for diminution in value of investments(34.1)	-	-
		1,208,468,572	970,079,252
34.1	Provision for diminution in value of investments		
	Dealing Securities		
	Quoted	-	-
	Unquoted	-	-
	Investment Securities		
	Quoted	-	-
	Unquoted	-	-
		-	-
		1,208,468,572	970,079,252

		Amount in Taka	
		31.12.2018	31.12.2017
34.1(a)	Consolidated Provision for diminution in value of investments		
	Dealing Securities	-	-
	Standard Bank Limited (note-34.1)	-	-
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		15,506,747	6,240,253
	Investment Securities		
	Standard Bank Limited (note-34.1)	-	-
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	1,633,580	-
	Standard Bank Securities Ltd.	13,873,167	6,240,253
		15,506,747	6,240,253
34(a)	Consolidated Provision for loans/Investments,off balance sheet exposure & other assets		
	Provision for bad and doubtful loans and advances/investments-SBL	1,080,709,816	869,935,406
	Provision for SMA loans and advances/investments-SBL	(280,651)	(2,426,549)
	Provision for unclassified loans & advances/Investments -SBL	114,287,006	18,237,773
	Provision for off balance sheet exposure-SBL	13,752,400	84,332,622
	Provision for diminution in value of investments (SCML & SBSL)	15,506,747	6,240,253
	Provision for impairment of client margin loan (SCML & SBSL)	11,566,137	66,389,725
	Provision for others (SBL)	-	-
		1,235,541,456	1,042,709,230
35	Tax expenses		
	Current tax	839,757,986	955,082,087
	Deferred tax	14,608,789	19,272,805
		854,366,775	974,354,892
35(a)	Consolidated tax expenses		
	Current tax		
	Standard Bank Limited (note-35)	839,757,986	955,082,087
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	32,192,032	44,887,937
	Standard Bank Securities Ltd.	13,746,067	24,552,244
		885,696,085	1,024,522,268
	Deferred tax		
	Standard Bank Limited (note-35)	14,608,789	19,272,805
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	Standard Bank Securities Ltd.	-	-
		14,608,789	19,272,805
Total		900,304,874	1,043,795,073

36 Earning Per Share (EPS)

 Net profit after tax
 Number of Ordinary Share
Earning Per Share *

Amount in Taka	
31.12.2018	31.12.2017
1,254,736,625	1,125,035,916
870,987,696	870,987,696
1.44	1.29

* Earning per share calculated dividing basic earning during the year by number of share outstanding as on reporting date complying with the provision of BAS-33.

36(a) Consolidated Earning Per Share (EPS)

 Net profit after tax
 Number of Ordinary Share
Earning Per Share *

1,255,547,301	1,238,450,432
870,987,696	870,987,696
1.44	1.42

* Earning per share calculated dividing basic earning during the Period by number of share outstanding as on reporting date complying with the provision of BAS-33.

37 Received from other operating activities

 SWIFT & Telex charge recoveries
 Postage charge recoveries
 Service charges
 Rebate on nostro a/c
 Handling charges on EDF
 Locker charges
 LC advising charges
 Loan processing/documentation fees
 Service charges agst CIB/Clearing return
 Debit / VISA Card Fees
 Stationery Charge Recovery
 Handling Charge On Import Lc
 Handling Charge On Export Lc
 Handling Commission On Lease Finance
 Handling Charge On Pe-Hsia Booth
 Earning on Treasury FEX
 NPSB Settlement Income
 Miscellaneous earnings
 Capital Gain on Government Securities
 Gain on shares

46,649,710	54,739,194
24,260,812	20,891,436
147,184,676	108,546,024
52,872,411	47,361,397
46,725,042	34,164,608
894,760	754,402
137,375	152,750
43,858,249	16,227,412
1,148,202	1,216,195
55,878,967	32,088,282
39,208	249,153
1,803,957	1,186,640
10,610,292	8,593,017
825,241	1,005,885
234,040	-
1,099,947	834,171
3,155,219	2,229,731
6,803,357	5,205,235
408,404,979	427,372,322
25,973,213	-
878,559,657	762,817,854

37(a) Consolidated Received from other operating activities

 Standard Bank Limited (note-35)
 Standard Exchange Co.(UK) Ltd.
 Standard Express(USA) Ltd.
 SBL Capital Mgt. Ltd.
 Standard Bank Securities Ltd.

878,559,657	762,817,854
1,528,749	1,317,427
4,024,133	1,111,611
2,209,400	1,365,700
266,090	240,997
886,588,029	766,853,589

		Amount in Taka	
		31.12.2018	31.12.2017
38	Payments for other operating activities		
	Rent, Taxes, Insurance, Electricity etc.	570,336,818	470,481,785
	Legal Expenses	20,753,562	14,102,129
	Postage, Stamp, Telecommunication etc.	27,496,405	31,778,971
	Directors' Fee & Other benefits	6,690,564	8,375,718
	Audit Fees	862,500	759,000
	Charges on loan losses		
	Repair of Bank's assets	245,229,671	44,835,690
	Other Expenses	553,090,101	446,523,896
		1,424,459,621	1,016,857,189
38(a)	Consolidated Payments for other operating activities		
	Standard Bank Limited (note-38)	1,424,459,621	1,016,857,189
	Standard Exchange Co.(UK) Ltd.	13,018,698	10,199,396
	Standard Express(USA) Ltd.	65,222,198	53,004,717
	SBL Capital Mgt. Ltd.	5,124,696	6,056,509
	Standard Bank Securities Ltd.	7,324,852	10,554,624
		1,515,150,065	1,096,672,434
39	Changes in other assets		
	Stock of stationery	7,370,684	(11,398,859)
	Stamps in hand	(2,040,819)	539,799
	Suspenses A/c	(325,664,839)	(181,514,977)
	Advance deposit	(258,073)	(715,155)
	Interest Receivable	(22,440,296)	
	Branch adjustments accounts	(109,975,826)	(33,635,685)
	Advance rent	52,514,995	2,646,739
	Prepaid expenses	42,941,090	(54,523,999)
	Protested Bill Account	-	-
	Excise Duty adjustment on FDR	(10,628,710)	(1,912,230)
	Gratuity Adjustment	-	-
	Working Progress, Building	(60,779,030)	(2,480,341)
	Islamic Settlement Account	(4,374,461)	
	Interest Waived	(24,176,621)	30,129,672
	Advance for Land & Building purchase	-	-
	Clearing Adjustment	(17,739,805)	5,899,552
		(475,251,711)	(246,965,484)
39(a)	Consolidated Changes in other assets		
	Standard Bank Limited (note37)	475,251,711	246,965,484
	Standard Exchange Co.(UK) Ltd.	(281,106)	2,494,639
	Standard Express(USA) Ltd.	(832,360)	(478,904)
	SBL Capital Mgt. Ltd.	(13,359,181)	106,769,861
	Standard Bank Securities Ltd.	(63,116,808)	24,180,304
		397,662,256	379,931,384

40 Changes in other liabilities

Accrued Expenses
Standard Exchange UK
Interest suspenses account
Provision for bonus
Islamic Settlement Account
Profit receivable
Provision for LFC
SBL Foundation
Provision for Green Banking
Provision for unforeseen losses
Dividend Settlement A/C
Provision for Incentive of good borrower
Commission Payable Account
Payable to OBU
Interest waived
MFS Settlement Account
Swift Charge Payable A/C
Foreign Currency translation gains

	Amount in Taka	
	31.12.2018	31.12.2017
877,924	10,695,159	
(3,324,170)	5,404,775	
216,261,475	(32,991,321)	
(97,504,636)	6,435,743	
-	(34,769)	
(5,455,323)	18,857,364	
5,713,949	500,289	
-	-	
2,500,000	2,500,000	
-	1	
-	-	
(276,712)		
281,443	123,693	
8,797,853	-	
-	(40,000,000)	
-	69,261	
105,058		
(550,050)	9,786,120	
Total	127,426,811	(18,653,685)

40(a) Consolidated Changes in other liabilities

Standard Bank Limited (note-38)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
Standard Bank Securities Ltd.

127,426,811	(18,653,685)
3,659,715	(849,899)
27,912,193	69,546,364
(402,519,809)	(164,749,776)
(255,571,009)	223,341,550
(499,092,100)	108,634,554

41 Expenditure Incurred for employees

Number of employees at 31 December 2018 was 2389(2017: 2076) who were in receipt of remuneration for that Period which in the aggregate was not less than TK 60,000 and those employed for a part of that Period who were in receipt of remuneration of not less than Tk.8,000.

42 Disclosure 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	Al-haj Mohammed Shamsul Alam	Director	Member	B.A. (Hons.)
3	Mr. Kazi Sanaul Hoq	Director	Member	M. Com
4	Mr. Najmul Huq Chaudhury	Independent Director	Member	B.Com
5	Mr. Md. Nazmus Salehin	Independent Director	Member	M.Sc.
6	Mr. Md. Ali Reza	CFO and acting Group Company Secretary	Acting Member Secretary	MBA, FCMA

During 31.12.2018, the Audit Committee discharged the following responsibilities:

- Reviewed the Company's draft financial statements for the Period ended 31st December 2017, 31st March 2018 & June 30, 2018 and 30 September, 2018 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 Period 2018 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 5 (Five) times during the Period 2018. 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 Bank

43 Related Party Disclosures
i) Particulars of Directors of the Bank as on 31 December 2018

Sl. No.	Name of the Persons	Designation	Present Address	% of shares as on 31.12.2018
1	Mr. Kazi Akram Uddin Ahmed	Chairman	House # 73, Road # 6, O.R. Nizam Road R/A, Chittagong.	2.35%
2	Mr. Mohammed Abdul Aziz	Vice Chairman	268, Fakirapool, Motijheel, Dhaka	2.83%
3	Mr. Kamal Mostafa Chowdhury	Director	"Bedura House", 72, Bangshal Road, Firingi Bazar, Kotwali, Chittagong.	2.30%
4	Mr. Ashok Kumar Saha	Director	29/B, Ghatforhadbeg, Chittagong	2.17%
5	Mr. Ferozur Rahman	Director	My Heart', 8/1, Sukrabad, Dhanmondi, Dhaka.	2.07%
6	Mr. Md. Monzurul Alam	Director	218, D.T. Road, Dewanhat, Chittagong.	2.00%
7	Mr. S. A. M. Hossain	Director	Victor Electronics, 400 Bipani Bitan (3rd Floor), Chittagong.	2.72%
8	Al-Haj Mohammed Shamsul Alam	Director	M/s. Radio Vision, 398, Bipani Bitan, Chittagong.	2.54%
9	Mr. Gulzar Ahmed	Director	Apan Jewellers, 65 Gulshan Avenue, Suvastu Imam Square (Ground Floor), Gulshan-1, Dhaka-1212.	2.00%
10	Mr. Md. Zahedul Hoque	Director	284/285, Khatungonj, Chittagong,	3.34%
11	Al-Haj Mohd. Yousuf Chowdhury	Director	8/B, O. R. Nizam Road, Panchlaish R/A., Chittagong	2.00%
12	Mr. Ferdous Ali Khan	Director	Jahan Mansion (1st Floor), Gha 6, 29, Mirpur Road, Dhaka	2.27%
13	ICB, represented by its Managing Director, Mr. Kazi Sanaul Hoq	Managing Director, Investment Corporation of Bangladesh	Head Office 8 Rajuk Avenue, 14th Floor, Dhaka	4.05%
14	Mr. S. S. Nizamuddin Ahmed	Independent Director	House # 1, Road # 2/A, (Banani Chairman Bari), Banani, Dhaka	NIL

Sl. No.	Name of the Persons	Designation	Present Address	% of shares as on 31.12.2018
15	Mr. Najmul Huq Chaudhury	Independent Director	House # 232, Road # 9, Block-B, Chandgaon CDA R/A, Chittagong	NIL
16	Mr. Md. Nazmus Salehin	Independent Director	Basati Green Hamlet, Apartment # D-13, 23, Green Road, Dhaka- 1205	NIL
17	Mr. Mamun-Ur-Rashid	MD & Ex-Officio Director	Head Office, Metropolitan Chamber Building, 122-124, Motijheel C/A, Dhaka	NIL

44 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 3,960 hours to complete the audit as per Bangladesh Auditing Standards.

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 31 December, 2018 under the guidelines of Bangladesh Bank BRPD circular No.14 dated 25th June, 2003.

47 Workers Participation Fund and Welfare Fund

Consistent with the industry practice and in accordance with The Bank Company Act. 1991, no provision has been made for WPPF.

48 Net Operating Cash Flow per Share (NDCFPS)

Net cash flow from operating activities	2,904,830,130	605,467,846
Number of Ordinary Share	870,987,696	791,806,997
Net Operating Cash Flows per Share (NOCFPS)	3.34	0.76

48(a) Consolidated Net Operating Cash Flows per Share (NOCFPS)

Net cash flow from operating activities	2,345,019,659	667,746,736
Number of Ordinary Share	870,987,696	791,806,997
Net Operating Cash Flows per Share (NOCFPS)	2.69	0.84

49 Net Asset Value Per Share

Shareholders' Equity	14,830,607,055	13,314,630,329
Number of Ordinary Share	870,987,696	791,806,997
Net Asset Value (NAV) Per Share	17.03	16.82

49(a) Consolidated Net Asset Value Per Share

Shareholders' Equity	14,816,401,086	13,410,175,502
Number of Ordinary Share	870,987,696	791,806,997
Consolidated Net Asset Value (NAV)Per Share	17.01	16.94

50 Events after the Balance Sheet date

The Board of Directors in its 312nd meeting decided to recommend payment of 10% stock dividend for the year 2018. The total amount of dividend is Taka. 870,987,696.

Standard Bank Limited
BALANCE WITH OTHER BANK-OUTSIDE BANGLADESH (NOSTRO ACCOUNTS)
as at 31 December, 2018

"Annexure -A"

Interest Bearing	Name of the Bank	Currency Name	31.12.2018			31.12.2017		
			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
	Standard Chartered Bank, New York	USD	(1,168,476.83)	83.450	(97,509,391)	244,389.64	82.700	20,211,023
	Habib American Bank Ltd., New York	USD	183,583.13	83.450	15,320,012	584,629.13	82.700	48,348,829
	Mashreq Bank Psc, New York	USD	42,406.65	83.450	3,538,835	909,618.99	82.700	75,225,490
	ICICI Bank Ltd., Hongkong	USD	28,265.17	83.450	2,358,728	87,113.16	82.700	7,204,258
	Bank Al-Jazira, KSA,USD	USD	153,792.97	83.450	12,834,023	107,830.00	82.700	8,917,541
	Sonali Bank (UK) LTD,USD	USD	-	83.450	-	-	82.700	-
	AXIS Bank Limited, Mumbai, India	ACU(\$)	67,311.10	83.450	5,617,111	46,645.13	82.700	3,857,552
	A.B. Bank Ltd. Mumbai	ACU(\$)	3,365.23	83.450	280,828	145,917.96	82.700	12,067,415
	ICICI Bank Ltd., Mumbai, India	ACU(\$)	8,580.06	83.450	716,006	199,912.61	82.700	16,532,773
	Standard Chartered Bank Ltd., Mumbai, India	ACU(\$)	(1,052,997.70)	83.450	(87,872,658)	254,741.21	82.700	21,067,098
	Nepal Bangladesh Bank Ltd., Kathmundu, Nepal	ACU(\$)	139,445.21	83.450	11,636,703	76,004.26	82.700	6,285,552
	NIB Bank Ltd., Karachi, Pakistan	ACU(\$)	-	83.450	-	-	82.700	-
	Habib Metropolitan Bank, Karachi, Pakistan	ACU(\$)	126,848.87	83.450	10,585,538	23,778.12	82.700	1,966,451
	Bhutan National Bank, Bhutan	ACU(\$)	3,940.76	83.450	328,856	75.70	82.700	6,260
	Standard Chartered Bank, Frankfurt, Germany	EURO	13,783.47	95.335	1,314,040	13,365.06	98.849	1,321,129
	Commerz Bank, Frankfurt, Germany	EURO	195,809.72	95.335	18,667,422	81,088.49	98.849	8,015,553
	Standard Chartered Bank Ltd., Tokyo	JPY	1,310,987.00	0.756	991,368	3,245,594.00	0.735	2,384,538
	Mashreq Bank, London, UK	GBP	648,109.18	105.862	68,610,199	525,026.39	111.220	58,393,304
	Sonali Bank (UK) LTD,GBP	GBP	-	-	-	-	111.220	-
	Alawwal Bank,KSA,SAR (Saudi Hallandi Bank, KSA)	SAR	149,987.00	22.184	3,327,274	149,987.00	21.922	3,287,940
	Bank Al-Jazira, KSA	SAR	997,203.69	22.184	22,121,718	464,412.48	21.922	10,180,618
	Westpac Banking Corporation Ltd.	AUD	13,112.07	59.842	784,656	7,001.84	65.293	457,174
	Habib American Bank Ltd., New York(OBU)	USD	104,798.73	83.900	8,792,613	459,870.78	82.200	37,801,378
	FDR-Standard Chartered Bank , Mumbai, India	USD	94,500.00	77.800	7,352,100	94,500.00	77.800	7,352,100
	GRAND TOTAL				9,795,983			350,883,977

Standard Bank Limited

FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

Annexure- "B"

Description	Cost			Depreciation			Written down value at 31 December 2018
	Balance at 1st January 2018	Addition during the year	Adjustment for disposal	Balance at 31 December 2018	Addition during the year	Adjustment for disposal	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	2,373,245,825	-	-	2,373,245,825	-	-	2,373,245,825
Building	495,535,566	-	-	495,535,566	11,530,064	-	433,034,182
Furniture & Fixture	575,452,344	75,138,436	513,041	650,077,739	42,586,956	513,041	386,274,521
Office Appliances	582,706,269	76,203,386	439,634	658,470,021	76,605,479	439,634	312,986,951
Computer	209,621,194	37,970,525	-	247,591,719	25,729,696	-	102,236,413
Software	97,016,041	25,668,000	-	122,684,041	15,237,291	-	42,970,648
Bank Vehicle	111,879,928	3,213,979	-	115,093,907	15,919,895	-	43,613,765
Total 31.12.2018	4,445,457,167	218,194,326	952,675	4,662,698,818	187,609,381	952,675	3,694,362,305
Total 31.12.2017	4,148,275,469	302,084,248	4,902,551	4,445,457,166	129,660,999	4,902,551	3,663,777,359

Standard Bank Limited

NAME OF THE DIRECTORS/SPONSORS AND THE ENTITIES IN WHICH THEY HAVE INTEREST

As At 31 December, 2018

Annexure-"C"

SL No	Name & Address	Status with Bank	Name of Firms/Companies in which 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 House #73, Road #6 O.R. Nizam Road R/A, Chittagong.	Chairman	The Eastern Engineering Works Ltd.	Managing Director	64%	
			M/s. Kazi & Co.	Managing Director	100%	
			Standard Rose Villa Housing Ltd.	Chairman	40%	
2	Mr. Mohammed Abdul Aziz 268, Fakirapool, Motijheel, Dhaka	Vice Chairman	New Ruma Products	Proprietor	100%	
			Alim International	Proprietor	100%	
3	Mr. Kamal Mostafa Chowdhuiy "Bedura House" 72, Bangshal Road Firingi Bazar, Kotwali Chittagong	Director	Raja Corporation	Proprietor	100%	
			Raja Securities Ltd.	Director	14%	
			Holy Crescent Hospital Ltd.	Director	2%	
			K. M. C. International	Proprietor	100%	
4	Mr. Ashok Kumar Saha 29/B, Ghatforhadbeg Chittagong	Director	NGS Steel Industries Ltd,	Managing Director	33%	
			Uttam Oil Mills Ltd,	Managing Director	33%	
			NG Saha Steel Industries (Pvt) Ltd.	Director	33%	
			NGS Cement Industries Ltd.	Director	33%	
			A.K. Saha Steel Industries (Pvt) Ltd.	Chairman	33%	
5	Mr. Ferozur Rahman 'My Heart' 8/1, Sukrabad Agargaon Dhaka	Director	Golden Dragon Ltd.	Director	15%	
			Hotel Eram International Ltd.	Director	18%	
			Hotel Peacock Ltd.	Director	65%	
			M/s. Olio Enterprise Hotel	Proprietor	100%	
			Olio Dream Heaven	Proprietor	100%	

SL No	Name & Address	Status with Bank	Name of Firms/Companies In which Interested as proprietor, partner, director, managing agent, guarantor employee, etc.	Position	Percentage (%) of Holding/ Interst in the concern	Remarks
6	Mr. Md. Monzurul Alam 218, D.T. Road Dewanhat Chittagong	Director	Taher & Co. Ltd.	Managing Director	36714 Shares	
			Golden Brick Works Ltd.	Managing Director	219725 Shares	
			Golden Steel Alloy Works Ltd.	Managing Director	124163 Shares	
			Al-Haj Mostafa Hakim Housing & Real Estate Ltd.	Managing Director	101000 Shares	
			Golden Oxygen Ltd	Managing Director	101000 Shares	
			Al-haj Mostafa Hakim Cement Ind. Ltd.	Managing Director	9500 Shares	
			Golden Iron Works Ltd.	Managing Director	218525 Shares	
			M/s. Monzur Alam	Proprietor	100%	
			Mutual Jute Spinner Ltd.	Managing Director	4000 Shares	
			Mostafa Hakim Container Yard. Ltd.	Managing Director	5000 Shares	
			Al-Haj Mostafa hakim Bricks. Ltd	Managing Director	5000 Shares	
			Eagle Star Textile Mills Limited	Managing Director	303557 Shares	
			H.M. Steel & Ind. Ltd.	Chairman	10000 Shares	
7	Mr. S. A. M. Hossain Victor Electronics 400 Bipani Bitan (3rd Floor) Chittagong.	Director	Victor Electronics	Proprietor	100%	
			Samira Electronics	Proprietor	100%	
			Samira Trade Intl.	Proprietor	100%	
			Eastern Metal Ind. Chittagong Ltd.	Chairman	13%	
			Hotel Victory Ltd.	Chairman	40%	
8	Al-Haj Mohammed Shamsul Alam M/s. Radio Vision 398 Bipani Bitan Chittagong	Director	M/S. Radio Vision	Managing Partner	50%	
			M/S. Pam Complex Pvt. Limited	Managing Director	32%	
			M/S. A.B. Electronics	Managing Partner	40%	
			M/S. G. Telecom	Partner	33%	
			M/S. G. Net Digital Communication	Partner	33%	
			R.B. Electronics Industries Limited.	Managing Director	50%	

SL No	Name & Address	Status with Bank	Name of Firms/Companies in which Interested as proprietor, partner, director, managing agent, guarantor employee, etc.	Position	Percentage (%) of Holding/Interst in the concern	Remarks
	Mr. Gulzar Ahmed Apan Jewellers 65 Gulshan Avenue, Suvastu Imam Square (Ground Floor) Gulshan-1, Dhaka-1212	Director	The Apan Jewellers	Proprietor	100%	
9	Mr. Md. Zahedul Hoque 284/285, Khatungonj Chittagong	Director	M/S Zahed Brothers	Proprietor	100%	
			M/S NLZ Fashion	Proprietor	100%	
			M/S NLZ Fashion Ltd.	Managing Director	80%	
			M/S. Noor Oil & Food Products Ltd.	Director	100%	
			M/S. Arafat Ltd.	Director		
10	Mr. Ferdous Ali Khan House # 27, Lake Drive Road Sector#7, Uttara Model Town Dhaka -1230	Director	Ferdous Tailors Fabrics & Fashion	Proprietor	100%	
11	Al-Haj Md. Yousuf Chowdhury 8/B, O. R. Nizam Road Panchlaish R/A. Chittagong	Director	Hotel Royal Palace Limited	Chairman	60%	
			Royal Tower	Proprietor	100%	
			M/s. Lucky Traders	Proprietor	100%	
			M/s Lucky Trading	Proprietor	100%	
12	Investment Corporation of Bangladesh (ICB) representing by Managing Director Investment Corporation of Bangladesh, Head Office, 8, Rajuk Avenue (1 4th Floor), Dhaka	Director	Not Applicable			
13	Mr. S. S. Nizamuddin Ahmed House #1, Road #2/A (Banani Chairman Bari) Banani, Dhaka	Independent Director	Not Applicable			
14	Mr. Najmul Huq Chaudhury House # 232, Road # 9 Block-B, Chandgaon CDA R/A Chittaona	Independent Director	Not Applicable			
15	Mr. Md. Nazmus Salehin Basati Green Hamlet Apartment# D-13,23 Green Road, Dhaka-1205	Independent Director	Not Applicable			
16	Mr. Manun-Ur-Rashid & CEO, Standard Bank Ltd. Chamber Building (3rd floor) 122-124, Motijheel C/A. Dhaka-1000	Ex-Officio Director	Not Applicable			

STATEMENT OF LOANS TO OUR BANK DIRECTORS

As At 31 December, 2018

Annexure- "D"
Fig in Lac TK.

SL No.	Name of The Director	Status with Bank	Name of the Concern	Nature of Loan	Limit	Outstanding	Classification Status	Remarks
1	Mr. Kazi Akram Uddin Ahmed.	Chairman	M/s. Kazi & Co.	CC (Hypo)	400.00	0.00	UC	Regular
2	Mr. Md. Abdul Aziz	Vice Chairman	M/s. Mohammed Abdul Aziz	CC (Hypo)	370.00	4.06	UC	Regular
			M/s. New Ruma Products	Letter of Credit	600.00	0.00	UC	Regular
3	Mr. Ferozur Rahman	Director	M/s. Alim International	Letter of Credit		36.68	UC	Regular
			M/s. Olio Enterprise	SOD (General)	625.00	167.11	UC	Regular
4	Alhaj Mohammed Shamsul Alam	Director	M/s. Radio Vision	CC (Hypo)	524.00	349.00	UC	Regular
5	Alhaj Md. Yousuf Chowdhury	Director	M/s. Lucky Traders	CC (Hypo)	555.00	0.00	UC	Regular
6	Mr. S. A. M Hossain	Director	M/s. Samira Trade International	CC (Hypo)	660.00	430.79	UC	Regular
7	Mr. Md. Monzurul Alam	Director	M/s. Monzurul Alam	CC (Hypo)	749.00	706.58	UC	Regular
8	Mr. Mohammad Zahedul Haque	Director	M/s. N. L. Z. Fashion	CC (Hypo)	1048.00	1,057.16	UC	Regular
9	Mr. Kamal Mostafa Chowdhury	Director	M/s. Raja Corporation	SOD (General)	804.00	0.00	UC	Regular
10	Mr. Ashok Kumar Saha	Director	Mr. Ashok Kumar Saha	SOD (General)	500.00	368.95	UC	Regular
Total					6,835.00	3,141.03		

Standard Bank Limited
INVESTMENT IN SHARES OF THE BANK

As at 31 December 2018

Annexure-"E"

SL No	Name of the Company	Face Value	No of Shares	Cost/present value of holdings	Average cost	Quoted rate per share as at 31.12.2018	Total market as at 31.12.2018
Quoted:							
1	First Bangladesh Fixed Income Fund	10	23,284,408	150,000,000	6.44	4.30	100,122,954
2	Bangladesh Steel Re-Rolling Mills Ltd	10	160,958	4,595,375	28.55	78.20	12,586,916
3	The ACME Laboratories Limited	10	1,282	109,226	85.20	85.90	110,124
4	Runner Automobile Limited	10	14,359	1,076,925	75.00	75.00	1,076,925
5	Genex Infosys Limited	10	10,467	104,670	10.00	10.00	104,670
6	ADN Telecom Limited	10	18,968	569,040	30.00	30.00	569,040
7	SS Steel Limited	10	10,119	134,920	13.33	13.33	134,920
8	Kettali Textiles Ltd	10	15,127	151,270	10.00	25.30	382,713
9	SM Trim & Industris Ltd	10	5,042	50,420	10.00	46.30	233,445
10	M. L. Dyeing Limited	10	6,040	60,400	10.00	29.70	179,388
11	VFS Thread Dyeing Limited	10	3,519	35,190	10.00	57.80	203,398
12	Silva Pharmaceuticals Limited	10	9,194	91,940	10.00	30.10	276,739
13	Indo-Bangla Pharmaceuticals Limited	10	2,945	29,450	10.00	10.00	29,450
	Sub Total			157,008,826			116,010,682
Unquoted:							
1	Central Depository Bangladesh Limited (CDBL)	10	15,654,816	156,548,164			156,548,164
2	Market Stabilization Fund			5,000,000			5,000,000
3	SWIFT			3,003,185			3,003,185
4	Standard Exchange Co.(UK) Ltd.			31,198,950			31,198,950
5	Standard Express(USA) Ltd.			116,130,000			116,130,000
6	SBL Capital Mgt. Ltd.			1,499,940,000			1,499,940,000
7	Standard Bank Securities Ltd.			799,940,000			799,940,000
8	Preference Share Of Star Ceramics Ltd.			35,000,000			35,000,000
	Sub Total			2,646,760,299			2,646,760,299
	Total			2,803,769,125			2,762,770,981

Standard Bank Ltd.

NAME OF DIRECTORS AND THEIR SHAREHOLDINGS

as at 31 December, 2018

Annexure-"F"

SI No	Name of Directors	Status	Closing Share balance as on 31.12.2018	Closing Share balance as on 31.12.2017
1	Mr. Kazi Akram Uddin Ahmed	Chairman	2,05,09,293 Shares of Tk. 10/ Each Tk. 20,50,92,930/-	1,86,44,812 Shares of Tk. 10/ Each Tk. 18,64,48,120/-
2	Mr. Mohammed Abdul Aziz	Vice Chairman	2,46,53,417 Shares of Tk. 10/ Each Tk. 24,65,34,170/-	2,24,12,198 Shares of Tk. 10/ Each Tk. 22,41,21,980/-
3	Mr. Kamal Mostafa Chowdhury	Director	2,00,13,058 Shares of Tk. 10/- Each Tk. 20,01,30,580/-	1,91,02,780 Shares of Tk. 10/- Each Tk. 19,10,27,800/-
4	Mr. Ashok Kumar Saha	Director	1,88,80,043 Shares of Tk. 10/- Each Tk. 18,88,00,430/-	1,71,63,676 Shares of Tk. 10/- Each Tk. 17,16,36,760/-
5	Mr. Ferozur Rahman	Director	1,80,47,043 Shares of Tk. 10/- Each Tk. 18,04,70,430/-	1,64,06,403 Shares of Tk. 10/- Each Tk. 16,40,64,030/-
6	Mr. Md. Monzurul Alam	Director	1,74,20,819 Shares of Tk. 10/- Each Tk. 17,42,08,190/-	1,58,37,109 Shares of Tk. 10/- Each Tk. 15,83,71,090/-
7	Mr. S. A. M. Hossain	Director	2,37,17,731 Shares of Tk. 10/- Each Tk. 23,71,77,310/-	2,15,61,574 Shares of Tk. 10/- Each Tk. 21,56,15,740/-
8	Al-Haj Mohammed Shamsul Alam	Director	2,21,35,275 Shares of Tk. 10/- Each Tk. 22,13,52,750/-	2,01,22,978 Shares of Tk. 10/- Each Tk. 20,12,29,780/-
9	Mr. Gulzar Ahmed	Director	1,74,37,413 Shares of Tk. 10/- EachTk. 17,43,74,130/-	1,58,52,194 Shares of Tk. 10/- Each Tk. 158521940
10	Mr. Md. Zahedul Hoque	Director	2,91,07,942 Shares of Tk. 10/- EachTk. 29,10,79,420/-	2,64,61,766 Shares of Tk. 10/- Each Tk. 26,46,17,660/-
11	Mr. Ferdous Ali Khan	Director	1,97,30,515 Shares of Tk. 10/- EachTk. 19,73,05,150/-	1,79,36,832 Shares of Tk. 10/- Each Tk. 17,93,68,320/-
12	Al-Haj Mohd. Yousuf Chowdhury	Director	1,74,20,088 Shares of Tk. 10/- EachTk. 17,42,00,880/-	1,58,36,445 Shares of Tk. 10/- Each Tk. 15,83,64,450/-
13	ICB, represented by its Managing Director Mr. Kazi Sanaul Hoq	Director	3,53,04,080 Shares of Tk. 10/- EachTk. 35,30,40,800/-	3,20,94,619 Shares of Tk. 10/- Each Tk. 32,09,46,190/-
14	Mr. S. S. Nizamuddin Ahmed	Independent Director	NIL	2,39,881 Shares of Tk. 10/- Each Tk. 23,98,810/-
15	Mr. Najmul Huq Chaudhury	Independent Director	NIL	NIL
16	Mr. Md. Nazmus Salehin	Independent Director	NIL	NIL
17	Mr. Mamun-Ur-Rashid	MD & Ex-Officio Director	NIL	NIL

Standard Bank Limited

HIGHLIGHTS

Sl. No.	Particulars	31.12.2018	31.12.2017
1	Paid Up Capital	8,709,876,960	7,918,069,970
2	Total Capital	21,143,711,615	20,403,689,033
3	Capital Surplus/(deficit)	4,666,322,914	5,789,320,327
4	Total Assets	197,148,065,887	175,699,112,385
5	Total Deposits	154,960,700,212	134,730,686,300
6	Total Loans and Advances	146,060,787,593	128,228,164,168
7	Total contingent liabilities and commitments	49,441,627,655	41,919,868,600
8	Credit Deposit Ratio	85.36%	82.09%
9	Percentage of classified loans against total loans and advances	8.10%	8.44%
10	Profit after tax and provision	1,255,547,301	1,238,450,432
11	Amount of classified loans during the year	11,348,683,203	10,451,440,088
12	Provisions kept against classified loan	2,271,043,588	2,190,571,867
13	Provision surplus/(deficit)	-	-
14	Cost of fund	8.85%	9.75%
15	Interest earning assets	164,364,789,752	141,370,757,201
16	Non-interest earning assets	32,783,276,135	34,328,355,184
17	Return on investment (ROI)	8.22%	9.83%
18	Return on assets (ROA)	0.67%	1.27%
19	Return on Equity (ROE)	8.47%	13.91%
20	Net Interest Margin (NIM)	2.44%	2.63%
21	Incomes from investment	1,844,338,779	1,891,335,401
22	Earning per share (Taka)	1.44	1.42
23	Price earning ratio (times)	7.56	4.35

The background features a complex network of grey lines connecting various nodes. Scattered throughout are several colored circles: a white circle at the top left, an orange circle at the top center, a yellow circle at the top right, a large red circle on the right side containing the main title, a teal circle in the middle left, a green circle with a globe icon in the middle left, a white circle with a house icon in the middle left, a teal circle in the middle right, a green circle in the bottom right, a white circle with a person icon at the bottom center, and an orange circle with a circular arrow icon at the bottom right. A red circle at the bottom left contains the text 'Drill Down'.

STANDARD BANK LIMITED ISLAMI BANKING WING

Drill
Down

Standard Bank Limited (Islami Banking Wing)

BALANCE SHEET

As AT 31 December 2018

Particulars	Notes	Figures in Taka	
		31.12.2018	31.12.2017
PROPERTY AND ASSETS			
Cash	1	46,047,362	42,888,676
Cash In Hand (Including Foreign Currencies)		896,797	465,964
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)		45,150,565	42,422,712
Balance with other Banks and Financial Institutions	2	219,430,125	229,430,125
In Bangladesh		219,430,125	229,430,125
Outside Bangladesh		-	-
Investments in Shares and Securities	3	32,000,000	5,000,000
Government		32,000,000	5,000,000
Others		-	-
Investments	4	696,828,140	288,975,613
General Investment		696,828,140	288,975,613
Bills Purchased & Discounted		-	-
Fixed Assets Including Premises, Furniture & Fixtures	5	267,110	160,463
Other Assets	6	154,450	2,290,813
Non-Banking Assets		-	-
TOTAL ASSETS		994,418,287	568,745,690
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing From Banks & Other Financial Institutions			
Deposits and other Accounts:		772,340,438	344,406,747
Current/AI-Wadeeah Deposits & Other Deposits	7	34,750,535	7,382,512
Bills Payable		5,842,067	588,282
Savings Bank/Mudaraba Savings Deposits		32,628,529	29,185,151
Short Term Deposits/ Mudaraba Short Term Deposits		25,582,891	11,294,359
Fixed Deposits/ Mudaraba Term Deposits	8	661,121,301	289,388,794
Diposits Under Schemes/ Mudaraba Deposit schemes		12,415,115	6,567,649
OTHER LIABILITIES	9	214,592,823	228,563,784
TOTAL LIABILITIES		986,933,261	572,970,531
Capital / Shareholder's Equity			
Paid Up Capital		-	-
Statutory Reserve		-	-
General Reserve		-	-
Revaluation Reserve on Investment		-	-
Surplus In Profit and Loss Account/Retained Earnings		7,485,026	(4,224,841)
Total Shareholders' Equity			
Total Liabilities and Shareholders' Equity		994,418,287	568,745,690

Standard Bank Limited (Islami Banking Wing)

BALANCE SHEET

As AT 31 December 2018

Particulars	Notes	Figures in Taka	
		31.12.2018	31.12.2017
OFF-BALANCE SHEET EXPOSURE			
Contingent Liabilities			
Acceptance and Endorsements		-	-
Letters of Guarantee		26,640,168	11,168,000
Irrevocable Letter of Credit		-	-
Bills For Collection		-	-
Other Contingent Liabilities		-	-
TOTAL:		26,640,168	11,168,000
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		26,640,168	11,168,000

| ISLAMI BANKING WING |
 | FINANCIAL STATEMENTS |



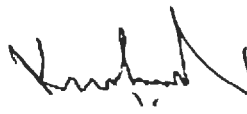
Managing Director



Director



Director



Chairman

Standard Bank Limited (Islami Banking Wing)

PROFIT & LOSS ACCOUNT

For the year ended 31 December, 2018

Particulars	Notes	Figures in Taka	
		31.12.2018	31.12.2017
Profit on General Investment	10	74,640,002	30,310,968
Profit Paid on Deposits & Borrowings etc.	11	(34,192,135)	(16,534,839)
Net Profit on Investment		40,447,867	13,776,129
Investment Income	12	238,024	111,912
Commission, Exchange Earnings and Brokerage	13	361,833	378,679
Other Operating Income	14	254,845	324,354
Total Operating Profit(A)		41,302,570	14,591,074
Salaries and Allowances	15	12,826,056	12,064,304
Rent, Taxes, Insurance, Electricity etc	16	1,410,318	386,979
Legal Expenses		-	-
Postage, Stamp, Telecommunication etc	17	73,444	48,392
Stationary, Printing, Advertisement etc	18	151,020	96,874
Directors' Fee & Other Benefits	19	186,380	152,149
Managing Director's Salary & Allowances		-	-
Audit Fees		-	-
Depreciation And Repair of Bank's Assets	20	912,018	1,094,274
Other Expenses	21	2,383,940	1,616,781
Total Operating Expenses(B)		17,943,176	15,459,753
Profit/(Loss) Before Provision C=(A-B)		23,359,394	(868,679)
Specific Provision	22	-	-
General Provision		6,937,453	3,244,482
Provision For Diminution In Value of Investments		-	-
Provision For Off-Balance Sheet Items		266,402	111,680
Total Provision(D)		7,203,855	3,356,162
Total Profit/(Loss) Before Taxes(E)=(C-D)		16,155,539	(4,224,841)
Provision for Tax expenses			
Current Tax	23	8,670,514	-
Deferred Tax		-	-
Net Profit/(Loss) after Taxation		7,485,026	(4,224,841)



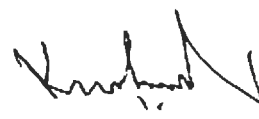
Managing Director



Director



Director



Chairman

Standard Bank Limited (Islami Banking Wing)

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December, 2018

Sl. No.	Notes	Figures in Taka	
		31.12.2018	31.12.2017
1	Cash		
	Cash In hand		
	In Local Currency	896,797	465,964
	In Foreign Currency	-	-
	Sub Total	896,797	465,964
	Balance with Bangladesh Bank (including foreign currency)		
	In local Currency	45,150,565	42,422,712
	In Foreign Currency	-	-
	Sub Total	45,150,565	42,422,712
	Total	46,047,362	42,888,676
1.1	Cash Reserve Ratio(CRR) & Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies ACT 1991, MPD Circular nos. 4 & 5 dated 1 December 2010 and MPD Circular no. 1 & 2 dated 23 June 2014 and 10 December 2013 and DOS Circular No. 1 dated 19 January 2014. The statutory Cash reserve ratio on the Shariah-based Islamic Bank's demand and time liabilities at the rate of minimum 5.00% on daily basis and 5.50% on bi-weekly basis have been calculated and maintained with Bangladesh Bank in current account and 5.50% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including excess cash reserve balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:		
1.1.1	a) Cash reserve ratio(CRR) for Islami Banking 5.50% of average Demand and Time Liabilities		
	Required reserve	30,535,461	22,062,040
	Actual reserve held(average daily on bi-weekly basis)	45,150,565	42,422,712
	Surplus	14,615,104	20,360,672
	b) Statutory Liquidity Ratio (SLR) for Islamic Banking 5.50% of required average Demand and Time Liabilities		
	Required reserve	30,535,461	18,667,880
	Actual reserve held	47,511,901	25,826,635
	Surplus	16,976,440	7,158,755
	Held for Statutory Liquidity Ratio of islamic Banking		
	Cash in hand	896,797	465,964
	Excess cash reserve	14,615,104	20,360,671
	Government Securities(HTM)	32,000,000	5,000,000
	Total	47,511,901	25,826,635
2	Balance with Other Banks & Finanacial Institutes		
	Placement as MTDR(Mudaraba Term Deposit)		
	Hajj Finance Company Ltd	214,430,125	214,430,125
	Islamic Finance and Investment Ltd	5,000,000	15,000,000
	Total	219,430,125	229,430,125

Sl. No.	Notes	Figures in Taka							
		31.12.2018	31.12.2017						
3	Investment in Shares & Securities								
	Bangladesh Govt. Islami Investment Bond								
	<table border="1"> <thead> <tr> <th>Tenure (Months)</th> <th>Maturity Dt.</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>02.02.2019</td> </tr> <tr> <td>6</td> <td>27.03.2019</td> </tr> </tbody> </table>	Tenure (Months)	Maturity Dt.	6	02.02.2019	6	27.03.2019		
Tenure (Months)	Maturity Dt.								
6	02.02.2019								
6	27.03.2019								
		17,000,000	5,000,000						
		15,000,000	-						
	Total	32,000,000	5,000,000						
4	General Investment								
	SME Bai Muajjal	748,465	1,474,527						
	Bai Muajjal & Bai MuajjalTerm	254,043,255	234,056,910						
	HPSM Consumer	6,298,155	-						
	HPSM Real Estate/Housing	408,057,905	45,588,092						
	HPSM House Building Investment	781,410	-						
	HPSM Staff Investment & Staff Car	9,554,107	1,348,840						
	Quard against MTDR/Schemes	17,344,842	6,507,244						
	Total	696,828,140	288,975,613						
4.1	Classification of Investments								
	Unclassified:	696,828,140	288,975,613						
	Standard including staff Investments	696,828,140	288,975,613						
	Special Mention Account (SMA)	-	-						
	Classified:								
	Sub standard	-	-						
	Doubtful	-	-						
	Bad/Loss	-	738,571						
	Total	696,828,140	288,975,613						
5	Fixed Assets Including Premises, Furniture & Fixtures								
	Furniture & Fixture	267,110	160,463						
	Total	267,110	160,463						
6	Other Assets								
	Profit Receivable on MTDR With other FI	-	2,286,713						
	Advance Income Tax on MTDR/Bond	-	-						
	Stamp in Hand	76,100	-						
	Excise Duty Adjustment(MTDR)	78,350	4,100						
	Deferred Expenditure	-	-						
	Total	154,450	2,290,813						
7	Current/Al-Wadeah Deposits & other deposits								
	Al-Wadiah Current Deposit	22,725,977	3,488,957						
	Sundry Deposit(Notes-7.1)	12,024,558	3,893,554						
	Total	34,750,535	7,382,511						
7.1	Sundry deposits								
	Sundry Creditors	-	-						
	Margin on letter of Guarantee	438,000	-						
	Profit payable on Mudaraba Deposits	10,387,550	3,886,341						
	VAT, Excise duty & Income Tax	1,199,008	7,213						
	Total	12,024,558	3,893,554						
8	Mudaraba Term Deposits								
	Client Deposit	461,121,301	289,388,794						
	Bank Deposit	200,000,000	-						
	Total	661,121,301	289,388,794						

Sl. No.	Notes	Figures in Taka	
		31.12.2018	31.12.2017
9	Other liabilities		
	Conventional Settlement A/C	183,334,574	203,899,372
	Lfc payable	42,000	113,400
	Profit receivable on SME Bai-Muajjal	38,719	173,277
	Interbank /Branch a/c unadjusted	299,549	
	Profit receivable on Bai-Muajjal	15,366,767	20,659,000
	Compensation Suspense A/c		80,277
	Accured Expenses	(17,000)	1,000
	Bai-Murabaha Compensation Realizable A/c	252,944	281,296
	Provision for Festival Bonuses ,Office Rent & others	-	-
	Provision for Tax	8,670,514	-
	Specific Provision	-	-
	General Provision	6,937,453	3,244,482
	Provision for Off-Balance Sheet Items	266,402	111,680
	Total	214,592,823	228,563,784
10	Profit received from Investment		
	Profit on Investment	28,628,545	7,856,419
	Rent on Investment	26,481,248	3,954,531
		55,109,793	11,810,950
	Profit received from Other Banks & FIs		
	Profit on MTDR with other FIs	19,530,209	18,500,018
		19,530,209	18,500,018
	Total	74,640,002	30,310,968
11	Profit paid on Deposits, Borrowing etc		
	Profit paid on Mudaraba Savings A/c.	538,563	591,314
	Profit paid on Mudaraba Term Deposits	31,829,464	15,230,862
	Profit paid on Mudaraba (MRIP) Deposits	154,759	
	Profit paid on Mudaraba Special Notice Deposit	1,070,503	341,789
	Profit paid on Mudaraba Deposits scheme	585,981	370,827
	Profit paid on Mudaraba Hajj Savings Scheme	12,865	47
	Profit paid on Mudaraba Bond Fund	-	-
	Total	34,192,135	16,534,839
12	Profit on Investment against Islami Bond with other Banks/NBFI		
	Profit on Islami Inv. Bond with B.Bank	238,024	111,912
		238,024	111,912

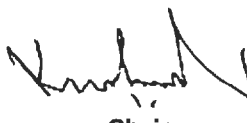
Sl. No.	Notes	Figures in Taka	
		31.12.2018	31.12.2017
13	Commission, Exchange Earnings & Brokerage		
	Commission Earned- PO & Remittance etc	9,108	4,453
	Exchange Gain	37	41,584
	Handling Commission	-	172,961
	LC Advising Commission(Local)	-	-
	Bank Guarantee Commission	352,689	159,681
	Total	361,833	378,679
14	Other Operating Income		
	Account Service Charge	250,235	286,847
	Postage Charges Recoveries	-	9,500
	Stationary Charges Recoveries	-	5,320
	Charges on Clearing	4,610	6,341
	Other Income	-	16,346
	Total	254,845	324,354
15	Salaries & Allowances		
	Basic salary	6,038,983	5,588,090
	House Rent Allowance	2,873,693	2,779,795
	Medical Allowance	755,533	818,400
	Conveyance Allowance	210,880	438,800
	House Maintenance & Utility	294,600	174,400
	Leave Fare Compensation	266,500	251,960
	Remuneration For Probationers	321,345	220,000
	Bonus	1,010,200	969,300
	Provident Fund(Bank Contribution)	574,738	555,959
	Casual Wages/others	479,584	267,600
	Total	12,826,056	12,064,304
16	Rent, Taxes, Insurance, Electricity etc		
	Insurance(on Deposit)	280,186	199,657
	Occupancy & rental Expenses	569,250	-
	Electricity & generator etc	281,469	-
	Insurance(Vehicles)	38,026	29,322
	Excise duty on MTDR with other Fin. Inst	133,500	132,500
	Rates & Taxes	107,888	25,500
	Total	1,410,318	386,979

Sl. No.	Notes	Figures in Taka			
		31.12.2018	31.12.2017		
17	Postage, Stamp, Telecommunication etc				
	Postage	-	-		
	Stamp	-	-		
	Telecommunication	73,444	48,392		
	Total	73,444	48,392		
18	Stationary, printing, advertisement etc				
	Supplies And Stationeries	150,520	72,876		
	Publicity & advertisement	500	-		
	Computer Stationary		23,998		
	Total	151,020	96,874		
19	Directors fees & meeting expenses				
	Directors fees	120,000	112,000		
	Traveling and haltage	47,900	28,199		
	Refreshment & dinner	18,480	11,950		
	Total	186,380	152,149		
20	Depreciation and repair of Bank's Assets				
	Depreciation on Furniture & Fixture	179,753	50,976		
	Repair on Software & Hardware Maintenance etc	451,280	1,043,298		
	Repair on Office appliance & equipment	48,400	-		
	Repair on Motor Vehicle Maintenance	232,585	-		
	Total	912,018	1,094,274		
21	Other Expenses				
	Local Conveyance	10,870	13,450		
	Traveling	52,426	69,422		
	Busseness Development	20,000	-		
	Entertainment (office)	85,116	34,829		
	Entertainment Allowance	134,400	-		
	Car Expenses	886,410	619,340		
	Fuel And Lubricants	638,225	360,000		
	Cook & Servent	21,000	-		
	Discomfort Allowance	18,600	-		
	Newspaper and periodicals	870	-		
	Membership Don. To Central Shariah Board	500,000	500,000		
	Miscellaneous	16,023	19,740		
	Total	2,383,940	1,616,781		
22	Provision				
	Specific Provision	-	-		
	General provision	6,937,453	3,244,482		
	Provision for Diminution in value of Investment		-		
	Provision for Off-balance sheet	266,402	111,680		
	Total	7,203,855	3,356,162		
23	Current Tax				
	Base	Rate	31.12.2018	31.12.2017	
	Profit on Investment	37.50%	23,121,370	-	8,670,514
	Profit on Islami Bond	0%	238,024	-	-
			23,359,394	-	8,670,514


Managing Director


Director


Director


Chairman

Standard Bank Limited (Islami Banking Wing)

BALANCE SHEET

MTDRs With Other Banks / NBFIs
As AT 31 December 2018

Annexure-"2"										
Sl. No.	Bank/NBFI	MTDR no.	Issuing Date	Renew Date	Amount (Tk.)	Rate (In %)	Expiry Date			
1	Hajj Finance Company Limited, Principal Branch, Dhaka	0037	30.12.2009	30.06.2018	19,719,250.00	10.50%	30.06.2019			
2	Hajj Finance Company Limited, Principal Branch, Dhaka	0064	22.05.2011	22.05.2018	20,000,000.00	10.50%	22.05.2019			
3	Hajj Finance Company Limited, Principal Branch, Dhaka	00841	29.10.2014	29.04.2018	30,000,000.00	10.50%	29.04.2019			
4	Hajj Finance Company Limited, Principal Branch, Dhaka	00842	29.10.2014	29.04.2018	16,000,000.00	10.50%	29.04.2019			
5	Hajj Finance Company Limited, Principal Branch, Dhaka	00862	08.12.2014	08.06.2018	51,897,500.00	10.50%	08.06.2019			
6	Hajj Finance Company Limited, Principal Branch, Dhaka	00864	09.12.2014	09.06.2018	15,566,250.00	10.50%	09.06.2019			
7	Hajj Finance Company Limited, Principal Branch, Dhaka	01083	01.11.2015	01.05.2018	9,000,000.00	10.50%	01.05.2019			
8	Hajj Finance Company Limited, Principal Branch, Dhaka	01224	13.12.2015	13.06.2018	6,747,125.00	10.50%	13.06.2019			
9	Hajj Finance Company Limited, Principal Branch, Dhaka	01620	17.11.2016	17.05.2018	33,000,000.00	10.50%	17.05.2019			
10	Hajj Finance Company Limited, Principal Branch, Dhaka	01642	27.11.2016	27.05.2018	4,500,000.00	10.50%	27.05.2019			
11	Hajj Finance Company Limited, Principal Branch, Dhaka	01787	20.06.2017	20.06.2018	8,000,000.00	10.50%	20.06.2019			
Sub Total					214,430,125.00					
1	Islamic Finance & Investment Limited, Principal Br., Dhaka	4975/314/13	13.11.2013	13.05.2018	5,000,000.00	10.00%	13.05.2019			
Sub Total					5,000,000.00					
Grand Total (12 MTDRs)					219,430,125.00					


Managing Director


Director


Director


Chairman

The background features a complex network of grey lines connecting various nodes. Overlaid on this network are several circular elements: a large red circle on the right containing the title, a smaller red circle at the bottom left with the text 'Drill Down', and several other circles in white, orange, teal, green, and yellow. Some of these circles contain icons: a globe, a house, a person, and a currency symbol.

STANDARD BANK OFF-SHORE BANKING UNIT

Drill
Down

Standard Bank Limited (Off-Shore Banking Unit)

STATEMENT OF FINANCIAL POSITION

As on 31 December 2018

Particulars	Notes	31.12.2018	
		USD	BDT
PROPERTY AND ASSETS			
Cash		-	-
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		724,949	60,401,282
In Bangladesh	1	620,151	51,608,669
Outside Bangladesh	1.1	104,799	8,792,613
Investments in Shares and Securities		-	-
Government		-	-
Others		-	-
Investments		42,205,729	3,541,060,690
General Investment	2	5,559,888	466,474,586
Bills Purchased & Discounted	2.1	36,645,842	3,074,586,104
Fixed Assets Including Premises, Furniture & Fixtures		-	-
Other Assets	3	-	-
Non-Banking Assets		-	-
TOTAL ASSETS		42,930,679	3,601,461,972
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing From Banks & Other Financial Institutions		42,310,528	3,549,853,303
Borrowing from SBL	4	11,946,307	996,688,104
Borrowing from FI Bank	4.1	30,364,221	2,553,165,199
Deposits and other Accounts:		-	-
Current Deposits & Other Deposits		-	-
Bills Payable		-	-
Savings Deposits		-	-
Short Term Deposits		-	-
Fixed Deposits		-	-
Diposits Under Schemes		-	-
OTHER LIABILITIES	5	422,057	35,123,425
TOTAL LIABILITIES		42,732,585	3,584,976,728
Capital / Shareholder's Equity		-	-
Paid Up Capital		-	-
Statutory Reserve		-	-
General Reserve		-	-
Revaluation Reserve on Investment		-	-
Surplus In Profit And Loss Account/Retained Earnings	6	198,093	16,485,244
Total Shareholders' Equity		-	-
Total Liabilities And Shareholders' Equity		42,930,679	3,601,461,972

Standard Bank Limited (Off-Shore Banking Unit)

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As on 31 December 2018

Particulars	Notes	31.12.2018	
		USD	BDT
OFF-BALANCE SHEET EXPOSURE			
Contingent Liabilities			
Acceptance And Endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letter of Credit		-	-
Bills For Collection		-	-
Other Contingent Liabilities		-	-
TOTAL:		-	-
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		-	-

| OFF-SHORE BANKING UNIT |
 | FINANCIAL STATEMENTS |



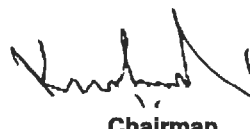
Managing Director



Director



Director



Chairman

Standard Bank Limited (Off-Shore Banking Unit)

STATEMENT OF COMPREHENSIVE INCOME (PROFIT & LOSS ACCOUNT)

As on 31 December 2018

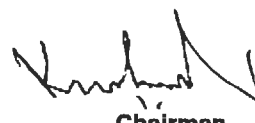
Particulars	Notes	31.12.2018	
		USD	BDT
Profit on Investment	7	2,075,903	172,755,711
Profit Paid on Deposits & Borrowings etc.	8	1,509,133	125,589,386
Net Profit on Investment		566,770	47,166,325
Investment Income			
Commission, Exchange Earnings And Brokerage	9	59,434	4,946,084
Other Operating Income		-	-
Total Operating Profit(A)		626,204	52,112,409
Salaries and Allowances		-	-
Rent, Taxes, Insurance, Electricity etc		-	-
Legal Expenses		-	-
Postage, Stamp, Telecommunication etc		-	-
Stationary, Printing, Advertisement etc		-	-
Depreciation And Repair of Bank's Assets		-	-
Director Fees & Other Benefits		-	-
Managing Director's Salary & Allowances		-	-
Audit Fees		-	-
Other Expenses	10	6,053	503,740
Total Operating Expenses(B)		6,053	503,740
Profit/(Loss) Before Provision		620,151	51,608,669
Specific Provision		-	-
General Provision		422,057	35,123,425
Provision For Diminution In Value of Investments		-	-
Provision For Off-Balance Sheet Items		-	-
Total Provision(D)		-	-
Total Profit/(Loss) Before Taxes(E)=(C-D)		198,093	16,485,244
Provision for Tax expenses			
Current Tax		-	-
Deferred Tax		-	-
Net Profit/(Loss) after Taxation		198,093	16,485,244

 | OFF-SHORE BANKING UNIT |
| FINANCIAL STATEMENTS |


 Managing Director


 Director


 Director


 Chairman

Standard Bank Limited (Off-Shore Banking Unit)

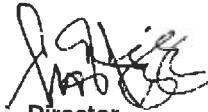
NOTES TO THE FINANCIAL POSITION

As on 31 December 2018

Sl. No.	Notes	31.12.2018	
		USD	BDT
1	Balance with other Banks and Financial Institutions		
	Balance with SBL, HO	\$620,150.65	₹ 51,608,669.00
	Balance with Nostro Account (Habib American Bank, NY)	\$104,798.73	₹ 8,792,613.00
2	Loan	\$42,205,729.32	₹ 3,541,060,690.00
	Term Loan	\$5,559,887.79	₹ 466,474,585.59
	Foreign Bills Purchased & Discounted	\$30,766,704.48	₹ 2,581,326,505.91
	Local Bills Purchased & Discounted	\$5,879,137.05	₹ 493,259,598.50
3	Other Assets	\$0.00	₹ -
4	Borrowing	\$42,310,528.05	₹ 3,549,853,303.00
	Borrowing from SBL	\$11,946,307.28	₹ 996,688,103.59
	Borrowing from Bank Muscat, Oman	\$9,105,979.09	₹ 765,673,165.76
	RAK Bank, UAE	\$14,163,187.76	₹ 1,190,906,837.09
	Standard Chartered Bank Ltd, Singapore	\$5,035,218.68	₹ 423,384,650.74
	United Bank Ltd, UAE	\$2,059,835.24	₹ 173,200,545.81
5	Provision of Loan		
	Provision for unclassified loan & advance	\$422,057.29	₹ 35,123,425.22
6	Surplus in Profit & loss Account/Retained Earnings	\$198,093.36	₹ 16,485,243.78
7	Profit on Loan	\$2,075,902.54	₹ 172,755,711.00
	Interest on Term Loan	\$276,789.77	₹ 23,034,324.87
	Interest on Foreign Bills Purchased	\$1,542,798.14	₹ 128,390,993.54
	Interest on Local Bills Purchased	\$256,314.63	₹ 21,330,392.58
8	Advance Fee & Interest Paid on Deposit & Borrowings etc.	\$1,509,132.89	₹ 125,589,386.00
	Advance fee paid to ICICI Bank	\$22,398.15	₹ 1,863,964.35
	Advance fee paid to SCB	\$58,415.10	₹ 4,861,279.34
	Intt. Paid on Borrowing fund from SBL	\$164,750.92	₹ 13,710,500.26
	Intt. Paid on Borrowing fund from other FI Banks	\$1,263,568.72	₹ 105,153,642.05
9	Commission, Exchange Earnings and Brokerage	\$59,434.15	₹ 4,946,084.00
	Charge Earned by Swift	\$5,213.00	₹ 433,823.58
	Interest on Nostro Balance	\$6,530.56	₹ 543,470.35
	Rebate Received from Nostro	\$25,500.00	₹ 2,122,098.86
	Loan processing fee	\$22,190.59	₹ 1,846,691.21
10	Other Expenses	\$6,053.15	₹ 503,740.00
	Nostro Account Maintenance Charge Paid to Habib American NY	\$1,550.00	₹ 128,990.20
	Software Maintenance Charge	\$4,503.15	₹ 374,749.80

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Managing Director


Director


Director


Chairman



Drill
Down

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

STANDARD BANK SECURITIES LIMITED

OPINION

We have audited the financial statements of Standard Bank Securities Limited, which comprise the statement of financial position as at 31 December, 2018, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of Standard Bank Securities Limited, in all material respects of the statement of financial position of Standard Bank Securities Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the securities and exchange commission rules 1987 and other applicable laws and regulations.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current

period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the securities and exchange commission rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability

to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause found Standard Bank Securities Ltd. to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by entity so far as it appeared from our examination of these books;
- c) the statements of financial position and statements profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.



SHEIKH ZAHIDUL ISLAM FCA, MBA

Partner

Dated, Dhaka

February 27, 2019

Standard Bank Securities Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
Assets:			
Non-Current Assets:			
Property, plant and equipment	4	4,083,002	5,144,995
Investment in Stock Exchange	5	282,320,683	320,200,000
		286,403,685	325,344,995
Current Assets			
Advances, deposits and prepayments	6	1,385,490	1,943,490
Advance income tax	7	35,435,933	46,149,385
Receivable from DSE	8	4,831,193	21,813,103
Other receivable	9	4,190,871	1,175,000
Margin loan to Clients	10	321,769,761	273,584,767
Investment in shares	11	527,006,253	557,005,626
Cash and cash equivalents	12	58,484,411	255,440,635
		953,103,912	1,157,112,006
Total Assets		1,239,507,597	1,482,457,001
Equity and Liabilities:			
Equity			
Share capital	13	800,000,000	800,000,000
Retained earnings	14	35,670,755	72,930,246
		835,670,755	872,930,246
Current Liabilities			
Payable to clients	15	39,026,794	250,679,374
Payable to DSE	16	3,039,583	2,590,473
Short Term Loan	17	271,336,554	270,372,525
Provision for Expenses	18	151,164	322,751
Provision for diminution in value of Investment	19	37,380,167	23,507,000
Provision for Clients' margin loan	20	3,685,513	1,470,142
Provision for income Tax	21	49,217,067	60,584,490
		403,836,842	609,526,755
Total Equity and Liabilities		1,239,507,597	1,482,457,001
Net Asset Value (NAV) Per Share		10.45	10.91

The accompanying notes (1-28) form an integral part of these financial statements.



Chief Executive Officer (Acting)


Director


Chairman

Subject to our separate report of even date

Dhaka: 27 February, 2019


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

STANDARD BANK SECURITIES LIMITED |
FINANCIAL STATEMENTS |

Standard Bank Securities Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
A. Income			
Brokerage Commission		18,944,958	39,216,423
Capital Gain on Investment in Securities		12,756,330	33,666,777
Dividend on Investment in Securities		21,107,602	13,511,677
Interest Income	22	46,395,756	36,100,456
Other operating Income	23	266,090	240,997
Total Income		99,470,736	122,736,330
B. Less: Expenses			
Direct Expenses (Howla & CDBL Charges)	24	2,481,780	5,499,998
Salary and Allowances	25	8,824,984	7,573,700
Rent, Taxes, Insurance, Electricity etc.	26	1,873,945	1,898,483
Interest expenses on Bank Loan		25,913,639	5,372,293
Board Meeting Expenses	27	832,147	748,029
Stationery, Printing, Advertisements etc.	28	178,410	183,519
Audit & Consultancy Fees	29	57,500	201,250
Postage, Stamp, Telecommunication etc.	30	223,305	230,490
Repair and Maintenance	31	77,557	85,192
Registration & Renewal fees	32	219,310	170,610
Depreciation on Fixed Assets	33	1,002,485	998,750
Other Expenses	34	1,210,560	1,286,332
Total Expenses		42,895,622	24,248,646
C. Total Profit before Provision (A-B):		56,575,114	98,487,684
D. Provision for diminution in value of Investment	19	13,873,167	6,240,253
Provision for clients margin loan	20	2,215,371	25,740
Total Provision:		16,088,538	6,265,993
E. Total Profit before Taxation (C-D):		40,486,576	92,221,691
Less: Provision for taxation	21	13,746,067	24,552,244
F. Net profit after Taxation (Transferred to retained earning)	14	26,740,509	67,669,447
G. Earning Per Share (EPS):	35	0.33	0.85

The accompanying notes (1-28) form an integral part of these financial statements.


 Chief Executive Officer (Acting)


 Director


 Chairman

Subject to our separate report of even date

Dhaka: 27 February, 2019


 Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Standard Bank Securities Limited

STATEMENT OF CHANGE IN SHARE HOLDER'S EQUITY

For the year ended 31 December 2018

Particulars	Share Capital	Retained Earnings	Total (Amounts in TK.)
Balance at 01 January 2018	800,000,000	72,930,246	872,930,246
Declaration of Dividend for the year 2017	-	(64,000,000)	(64,000,000)
	800,000,000	8,930,246	808,930,246
Net profit for the Year	-	26,740,509	26,740,509
Balance at 31 December 2018	800,000,000	35,670,755	835,670,755

Standard Bank Securities Limited

STATEMENT OF CHANGE IN SHARE HOLDER'S EQUITY

For the year ended 31 December 2017

Particulars	Share Capital	Retained Earnings	Total (Amounts in TK.)
Balance at 01 January 2017	800,000,000	37,260,799	837,260,799
Declaration of Dividend for the year 2016	-	(32,000,000)	(32,000,000)
	800,000,000	5,260,799	805,260,799
Net profit for the year	-	67,669,447	67,669,447
Balance at 31 December 2017	800,000,000	72,930,246	872,930,246

The accompanying notes (1-28) form an integral part of these financial statements.

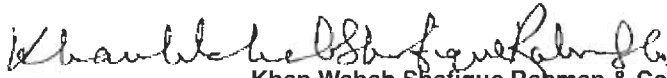

Chief Executive Officer (Acting)


Director


Chairman

Subject to our separate report of even date

Dhaka: 27 February, 2019


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Standard Bank Securities Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

Particulars	Amount in Taka	
	31.12.2018	31.12.2017
A. Cash Flow from Operating Activities		
Brokerage commission	18,944,958	39,216,423
Other operating income	266,090	240,997
Operating expenses	(41,893,137)	(23,249,896)
Interest income on bank deposits	5,027,209	4,814,601
Interest income on margin loan	41,368,547	31,285,855
Capital gain on investment in securities	12,756,330	33,666,777
Dividend on investment in securities	21,107,602	13,511,677
Advance income tax	(14,400,038)	(18,889,163)
Advances, deposits and prepayments	558,000	585,500
Other Operating assets	13,966,039	(14,047,489)
Other Operating liabilities	(211,375,057)	200,694,161
Net Cash flow from / (used in) Operating Activities	(153,673,457)	267,829,442
B. Cash Flow from Investing Activities		
Investment in Securities	29,999,373	(286,836,627)
Investment in Margin Loan	(48,184,994)	(114,533,949)
Investment in Stock Exchange	37,879,317	-
Acquisition of property, plant and equipment	59,508	(15,925)
Net Cash flow from Investing Activities	19,753,204	(401,386,501)
C. Cash Flow from Financing Activities:		
Share Capital	-	-
Short Term Loan from SBL	964,029	270,372,525
Dividend Paid	(64,000,000)	(32,000,000)
Net Cash flow from Financing Activities	(63,035,971)	238,372,525
D. Net Cash Inflow/(Outflow) in Cash and Cash Equivalents (A+B+C)	(196,956,224)	104,815,466
E. Cash and Cash equivalents at beginning of the year	255,440,635	150,625,168
F. Cash and cash Equivalents at end of the Quarter (D+E)	58,484,411	255,440,634
G. Closing cash and bank balances		
Cash and cash equivalents	58,484,411	255,440,635
H. Net Operating Cash Flow (NOCF) Per Share	(1.92)	3.35

The accompanying notes (1-28) form an integral part of these financial statements.


 Chief Executive Officer (Acting)


 Director


 Chairman

Standard Bank Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended on 31 December 2018

1 THE COMPANY AND ITS ACTIVITIES:

Standard Bank Securities Limited (DSE TREC NO. 156) a subsidiary company of Standard Bank Limited was incorporated as a public limited company in Bangladesh and registered with the Register of Joint Stock Companies 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, (Extn.), 1st Floor, Motijheel Commercial Area, Dhaka 1000.

2 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 are to act as a TREC Holder of Dhaka Stock Exchange Limited.

3 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 International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), 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 Profit or Loss and Other Comprehensive Income
- (iii) Statement of Changes in Equity
- (IV) Statement of Cash Flows
- (v) Accounting policies and explanatory notes

3.03 Fixed Assets and Depreciation:

Recognition and measurement:

Items of fixed assets are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the When parts of an item of fixed asset have different useful lives, they are accounted for as separate items location and condition necessary for it to be capable of operating in the intended manner. The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from Property, Plant and Equipment are recognized as assets in accordance with International Accounting Standards (IAS) 16 "Property Plant and Equipment".

Subsequent costs:

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

Changes in Depreciation Method:

Depreciation method has been changed from reducing method to straight line method from year 2017 for accounting policy alignment in accordance with the method followed by parent company (Standard Bank Limited) which is to be treated as "Changes in Accounting Estimates" and prospective accounting has been done for changes in accordance with IAS 8.

Depreciation:

Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Company. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Category of Assets:	Rate of Depreciation	Method of charging depreciation/ amortization
Office equipment	20%	Straight Line Method
Office renovation & Decoration	10%	Straight Line Method
Furniture & Fixture	10%	Straight Line Method
Computer & Server	20%	Straight Line Method
Software	20%	Straight Line Method

3.04 Reporting Period:

These financial statements covers from 1st January 2018 to 31 December 2018 and followed consistently.

3.05 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash in hand and cash at Bank 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:

3.6.1 Investment in DSE Shares:

In accordance with section 8(Gha) of the Exchanges Demutualization Act, 2013, Dhaka Stock exchange membership has been converted into shares through the issuance of "Trading Right Entitlement Certificate (TREC)" by the DSE. Currently fair value of Trading Right Entitlement Certificate is not ascertainable with reasonableness due to the stock exchange not issuing any TREC other than existing members. Accordingly, investment is measured at cost which is considered as fair value.

3.6.2 Investment in quoted securities:

Investment in Shares have been recognized at cost valued on aggregate basis 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. Adequate provision has been made as per BSEC guidelines if market value goes down.

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 as per the Income Tax Ordinance 1984, latest finance act, relevant SROs etc. 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. Income is recognized on monthly but realized quarterly.

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 is incurred.

4) 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 purchase securities against the respective investor account. The investors are maintaining the margin as per rules and regulations.

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.

4 Property, plant and equipment:

Opening balance
Add : Additions during the year
Less: Desposal
Closing balance (A)

Amounts in Taka	
31.12.2018	31.12.2017
9,984,680	10,011,180
-	99,500
(205,000)	(126,000)
9,779,680	9,984,680

Depreciation :

Opening balance
Add: Charges during the year
Less: Adjustment
Closing balance (B)

4,839,685	3,883,360
1,002,485	998,750
(145,492)	(42,425)
5,696,678	4,839,685
4,083,002	5,144,995

Written down value (A-B)

The details of the above balance have been Shown in (Annexure-1)

5 Investment In Stock Exchange

Dhaka Stock Exchange Ltd.*

282,320,683	320,200,000
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Note :

*As per Scheme of Demutualization of DSE in accordance with the Exchange Demutualization Act 2013 (the scheme), the Company being the intial shareholders of DSE and Allotted 72,15,106 number of ordinary shares (of which 43,29,064 shares blocked with DSE Demutualization Block Accounts) as well as "Trading Right Entitlement Certificate (TREC)". During the year Dhaka Stock Exchange Limited completed the sale of 25% DSE shares to Strategic investors of SZSE and SSE of Tk. 3,78,79,317/- as the sale proceeds of 18,03,777 nos of DSE shares which is less than the cost of acquisition & the sale proceeds amount adjustment with the DSE Investment amount, this amount will not taxable under section 53N of the income Tax Ordinance, 1984. No transactions of shares as well as "TREC" have been started and hence after adjustment cost price is considered as fair value. In future if the above shares as well as TREC becomes tradeable on capital market, the fair value would be determined that time and necessary adjustments, if any shall be made.

6 Advance, Deposits and Prepayments

A. Advance:

Office Rent (Head Office)
Office Space at DSE Tower, Nikunja

98,000	686,000
1,050,000	1,050,000
1,148,000	1,736,000

B. Deposits:

Central Depository Bangladesh Ltd (CDBL)
BTCL
Duncan Products Ltd.

200,000	200,000
4,990	4,990
2,500	2,500
207,490	207,490

C. Advance against to RJSE Exp.

Total (A+B+C) :

30,000	-
1,385,490	1,943,490

7 Advance income tax

 Opening balance
 Add: During the year (note 7.1)

Less : Adjustment for Assessment

Closing balance
7.1 Advance income tax

 AIT on Interest income
 Advance Corporate Tax
 AIT on Dividend

8 Receivable from DSE

 Stock Broker
 Stock Dealer

9 Other receivable

Dividend on Investment in shares

10 Margin loan to clients

Portfolio Margin Loan to Clients

11 Investment in shares

 Investment in quoted securities (Annex-2)
 Investment in IPO Shares (Note: 11.01)

11.01. Investment in IPO Shares

 ADN TELECOM LTD.
 GENEX INFOSYS LTD.
 RUNNER AUTOMOBILES LTD.
 ESQUIRE KNIT COMPOSIT LTD.

Amounts in Taka	
31.12.2018	31.12.2017
46,149,385	35,431,070
10,863,524	10,718,315
57,012,909	46,149,385
21,576,976	-
35,435,933	46,149,385
508,453	575,190
6,751,775	7,000,000
3,603,296	3,143,125
10,863,524	10,718,315
4,756,975	21,813,103
74,218	-
4,831,193	21,813,103
4,190,871	1,175,000
4,190,871	1,175,000
321,769,761	273,584,767
321,769,761	273,584,767
524,233,003	557,005,626
2,773,250	-
527,006,253	557,005,626
569,040	-
104,660	-
1,076,925	-
1,022,625	-
2,773,250	-

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.

12 Cash and cash equivalents

Cash in hand

Bank balances with

Standard Bank Ltd.

Standard Bank Ltd.

Al-Arafah Islami Bank Ltd.

Al-Arafah Islami Bank Ltd.

Al-Arafah Islami Bank Ltd.

		Amounts in Taka	
		31.12.2018	31.12.2017
		-	-
A/c No.			
00236001852		4,740,751	778,996
00236001884	Customer A/C.	2,187,854	2,333,321
21220004023	Consolidated Customer A/C.	47,719,058	248,405,536
21220004067	Dealer Account	3,576,304	3,762,021
21220004473	IPO Account	260,444	160,761
		58,484,411	255,440,635
		58,484,411	255,440,635

13 Share capital

13.1 Authorised

200,000,000 ordinary shares of Taka 10 each

2,000,000,000

2,000,000,000

13.2 Issued, subscribed and paid-up capital

80,000,000 ordinary shares of Taka 10 each fully paid-up
Shareholding position of the Company are as under:

800,000,000

800,000,000

Sl. No.	Name of shareholder	No. of Shares	Total Taka	% of Share Holding
1	Standard Bank Limited (Rep: Mr. Mamun -Ur-Rashid)	79994000	799,940,000	99.993
2	Mr. Kazi Akram Uddin Ahmed	500	5,000	0.001
3	Al-haj Mohd. Yousuf Chowdhury	500	5,000	0.001
4	Mr. S.A.M Hossain	500	5,000	0.001
5	Mr. Ashok Kumar Saha	500	5,000	0.001
6	Mr. Md. Zahedul Hoque	500	5,000	0.001
7	Ms. Bedowra Ahmed Salam	500	5,000	0.001
8	Mr. Tanveer Mostafa Chowdhury	500	5,000	0.001
9	Mr. A.K.M Abdul Alim	500	5,000	0.001
10	Mr. Azad Ahmed	500	5,000	0.001
11	Mr. Mohammed Arif Chowdhury	500	5,000	0.001
12	Mr. Jhahedul Alam	500	5,000	0.001
13	ICB (Rep; Mr. Kazi Sanaul Hoq)	500	5,000	0.001
	Total:	80000000	800,000,000	100.000

14 Retained earnings

Opening balance

72,930,246

37,260,799

Less: Issurance of Dividend

64,000,000

32,000,000

8,930,246

5,260,799

Add: Net comprehensive income

26,740,509

67,669,447

Closing Balance

35,670,755

72,930,246

15 Payable to Clients

 Other Clients
 SBL Capital Management Ltd.

Amounts in Taka	
31.12.2018	31.12.2017
36,302,593	241,637,339
2,724,201	9,042,035
39,026,794	250,679,374

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 Payable to DSE

 Stock Broker
 Stock Dealer

3,039,527	461,123
56	2,129,350
3,039,583	2,590,473

17 Short Term Loan

 Opening Balance
 Add: Addition during the year

270,372,525	-
100,964,029	310,372,525
371,336,554	310,372,525
100,000,000	40,000,000
271,336,554	270,372,525

Less: Refund/ Repayment during the year

Closing Balance

Note: The above loan was taken from Standard Bank Limited bearing interest @9% per annum on quarterly basis Vide reference No. SBL/PB/CR/2018/1858, dated November 14, 2018

18 Provision for expenses

 CDBL charges
 Electricity Bill
 WASA Bill
 Telephone Bill
 Lift Charge
 Audit fee
 LFC Payable
 VAT Payable
 TDS Payable
 Link3 Technologies Ltd.
 Metronet BD Ltd.
 Amber IT Ltd.

58,002	102,961
-	10,956
3,300	6,484
6,512	-
-	2,500
50,000	50,000
-	123,000
7,500	8,250
17,350	500
2,300	11,500
2,000	2,000
4,200	4,600
151,164	322,751

19 Provision for diminution in value of investment:

 Opening balance
 Add: Provision made during year

23,507,000	17,266,747
13,873,167	6,240,253
37,380,167	23,507,000

Closing balance

Amounts in Taka	
31.12.2018	31.12.2017

Note:

This represents diminution in Value of Investment as on 31 Dec, 2018 are shown below:

Total diminution in Value of Investment: (Annexure-2)	148,365,505	48,468,010
Less: Provision maintained:	23,507,000	17,266,747
Total provision required/ shortfall	124,858,505	31,201,263

*As per Directives of Bangladesh Securities and Exchange Commission dated December 27, 2018 (Circular # BSEC/SRI/Policy/3/2018/931, the required provisions of dealer account can be kept on each quarter upto 2020 starting from December 2018.

20 Provision for Clients Margin Loan :

Opening balance	1,470,142	1,444,402
Add: Provision made during the year	2,215,371	25,740
Closing balance	3,685,513	1,470,142

Total equity negative amount of margin loan account of Tk. 2,14,08,478/- as on 31 December 2018 *As per Directives of Bangladesh Securities and Exchange Commission dated December 27, 2018 (Circular # BSEC/SRI/Policy/3/2018/931, the required provisions of Tk. 1,99,38,336/- on margin loan account can be kept on each quarter upto 2020 starting from December 2018.

21 Provision for income tax:

Opening balance	60,584,490	44,203,094
Add: Provision made during the year	13,746,067	24,552,244
	74,330,557	68,755,338
Less: Tax Deducted at Source on Turnover U/S 82C	3,536,514	8,170,848
	70,794,043	60,584,490
Less: Adjustment of Assessment	21,576,976	-
Closing balance	49,217,067	60,584,490

22 Interest income

Interest on Bank Deposit (Note-22.01)	5,027,209	4,814,601
Interest Income on Margin Loan	41,368,547	31,285,855
	46,395,756	36,100,456

22.01 Interest on Bank Deposit

SND account on Standard Bank Limited	448,248	186,221
SND account on Al Arafah Islami Bank Ltd.	4,578,961	3,852,754
FDR with Standard Bank Limited	-	775,626
	5,027,209	4,814,601

23 Other operating income

BO account fees	
Yearly BO maintenance fee	
Profit on Assets	
Income on Scrap Sale	
IPO Application fee	

Amounts in Taka	
31.12.2018	31.12.2017
51,095	66,219
136,750	126,228
-	29,515
9,600	-
68,645	19,035
266,090	240,997
1,768,257	4,082,977
-	1,250
713,523	1,415,771
2,481,780	5,499,998

24 Direct Expenses

Laga charges	
Hawla charges	
CDBL Charges	

This represents Hawla and Laga charges paid to DSE for the transaction of traded securities. Hawla is paid based on number of transaction and Laga is paid based on turnover at applicable rate prescribed by DSE. CDBL Charge paid against CDS charge to CDBL.

25 Salaries and allowances

Basic salary	
House rent allowance	
Conveyance allowance	
Medical allowance	
House maintenance	
Leave fare compensation (LFC)	
Washing allowance	
Company's contribution to provident fund	
Consolidated Salary	
Casual Wages	
Festival Bonus	

4,287,990	3,609,750
2,143,995	1,804,875
316,200	256,500
409,800	371,100
66,000	42,000
146,900	123,000
5,400	-
428,799	360,975
30,600	-
290,400	372,600
698,900	632,900
8,824,984	7,573,700

26 Rent, taxes, insurance, electricity etc

Office Rent	
Sharing of Infrastructure Charge	
Insurance Premium of Motor Vehicle	
WASA Charge	
Lift charge	
Electricity Bill	

1,487,640	1,487,640
120,000	120,000
16,901	26,399
38,137	36,272
30,000	30,000
181,267	198,172
1,873,945	1,898,483

27 Board Meeting Expenses

Director's Honorarium	
Director's Traveling & haltage	
Lunch & Refreshment and Misc exp.	

377,200	377,200
280,700	203,903
174,247	166,926
832,147	748,029

28 Stationery, printing, advertisements, etc

Printing and stationery
Cutleries & Cookeries
Computer Accessories
Advertisement & Publicity

29 Audit & Consultancy Fees

Audit fees
Legal & Professional fee

30 Postage, stamps, telecommunication, etc

Wan Connectivity Charge
Telephone and fax expenses
Wimax Charge
Stamp Duty
Postage & Courier

31 Repair and maintenance

Cleaning expenses
Office maintenance

32 Registration & Renewal fees

Stock Broker & Stock Dealer cert. Renewal fee
DP Registration Renewal fee
TC Certificate Renewal fees to DSE
TREC Renewal fee
DBA Annual Membership fee
Bidding & EII Reg. fees
Trade License Renewal fees

33 Depreciation on Fixed Assets

Furniture & Fixture
Office equipment
Office renovation & Decoration
Computer & Server
Software

Amounts in Taka	
31.12.2018	31.12.2017
96,665	150,534
4,450	1,330
60,045	13,255
17,250	18,400
178,410	183,519
57,500	57,500
-	143,750
57,500	201,250
104,400	122,038
102,313	91,182
12,000	12,000
-	1,525
4,592	3,745
223,305	230,490
25,100	25,200
52,457	59,992
77,557	85,192
20,000	20,000
4,600	7,900
60,000	55,000
50,000	50,000
12,500	-
48,000	13,000
24,210	24,710
219,310	170,610
59,491	56,048
115,584	115,584
164,802	164,802
492,669	492,377
169,939	169,939
1,002,485	998,750

34 Other expenses

Traveling & Conveyance
DSE Charges
Car Expenses
Petrol Oil & Lubricants
Newspaper & Periodicals
Entertainment
Bank Charges & Commission
Business Development Expenses
Uniform & leverage
Cook & Servent
Write off of Assets
Loss on Sale of Assets
RJSC Expenses
Training & Seminar expenses
Annual Maintenance fee for Software
TWS Set up fees
Security Guard Bill

Amounts in Taka	
31.12.2018	31.12.2017
21,170	42,676
33,136	53,297
327,904	285,996
180,000	180,000
4,900	4,966
168,367	133,125
107,808	150,769
6,400	38,000
10,080	10,080
6,000	-
	13,090
49,508	-
-	22,390
23,562	36,180
118,125	117,563
-	5,000
153,600	193,200
1,210,560	1,286,332
26,740,509	67,669,447
80,000,000	80,000,000
0.33	0.85

35 Earning Per Share (EPS):

Net profit after tax
Number of Ordinary Share
Earnings Per Share

Standard Bank Securities Ltd.

DETAILS OF PROPERTY, PLANT AND EQUIPMENT

AT 31 DECEMBER, 2018

Annexure 1

Particulars	COST				Rate (%)	DEPRECIATION			Net book value at 31 Dec 2018	
	Balance at 01 Jan 2018	Additions	Sale/ Disposal	Total at 31 Dec 2018		Balance at 01 Jan 2018	Charge for the Year	Adjustment		Total at 31 Dec 2018
Furniture & Fixture	753,185	-	-	753,185	10%	212,513	59,491	-	272,004	481,181
Office equipment	1,099,963	-	-	1,099,963	20%	637,628	115,584	-	753,212	346,751
Office renovation & Decoration	2,337,615	-	-	2,337,615	10%	854,394	164,802	-	1,019,196	1,318,419
Computer & Server	4,863,867	-	(205,000)	4,658,867	20%	2,884,858	492,669	(145,492)	3,232,035	1,426,832
Software	930,050	-	-	930,050	20%	250,292	169,939	-	420,231	509,819
Balance	9,984,680	-	(205,000)	9,779,680		4,839,685	1,002,485	(145,492)	5,696,678	4,083,002
Total Balance as on 31.12.2017	10,011,180	99,500	(126,000)	9,984,680		3,883,360	998,750	(42,425)	4,839,685	5,144,995

STANDARD BANK SECURITIES LTD.

INVESTMENT IN SECURITIES

AS ON 31 DECEMBER 2018

Annexure-2

Sl. No.	Name of Securities	Cost Value	Market Price	Un-realized Gain/(Loss)
1	AB BANK	20,592,249.68	12,000,000.00	(8,592,250)
2	ACTIVEFINE	8,583,213.16	6,768,000.00	(1,815,213)
3	APOLOISPAT	7,711,441.77	3,589,550.00	(4,121,892)
4	BANKASIA	13,499,088.72	12,390,000.00	(1,109,089)
5	BBS	8,898,694.32	6,160,000.00	(2,738,694)
6	BSC	7,584,640.51	5,850,000.00	(1,734,641)
7	BSCCL	972,942.00	935,000.00	(37,942)
8	DELTALIFE	17,831,488.23	14,090,634.00	(3,740,854)
9	DESCO	4,806,095.87	4,040,000.00	(766,096)
10	DHAKABANK	22,965,100.81	16,330,000.00	(6,635,101)
11	EXIMBANK	10,623,364.04	7,080,000.00	(3,543,364)
12	FAMILYTEX	2,029,089.09	1,512,000.00	(517,089)
13	FAREASTFIN	4,560,033.28	1,855,000.00	(2,705,033)
14	FIRSTSBANK	3,116,270.38	2,398,000.00	(718,270)
15	GQBALLPEN	16,520,493.39	12,112,000.00	(4,408,493)
16	HEIDELBCEM	5,609,165.14	3,347,000.00	(2,262,165)
17	IBP	2,673.14	9,143.40	6,470
18	ICB	7,607,411.89	5,490,450.00	(2,116,962)
19	ICBIBANK	1,281,180.43	960,000.00	(321,180)
20	IFADAUTOS	6,182,470.88	5,799,400.00	(383,071)
21	IFIC	6,318,679.74	4,360,000.00	(1,958,680)
22	INTRACO	2,533.65	7,128.80	4,595
23	JAMUNABANK	23,090,701.44	22,000,000.00	(1,090,701)
24	JAMUNAOIL	16,635,257.14	16,205,263.50	(429,994)
25	KPCL	1,352,700.00	1,186,000.00	(166,700)
26	KPPL	344,903.50	297,000.00	(47,903)
27	KTL	109,785.29	305,522.80	195,738
28	LHBL	87,514,661.95	39,150,000.00	(48,364,662)
29	MJLBD	12,068,570.78	10,416,000.00	(1,652,571)
30	MLDYEING	25,175.00	89,723.70	64,549
31	MPETROLEUM	19,515,733.39	18,860,000.00	(655,733)
32	NAVANACNG	1,409,444.24	952,000.00	(457,444)
33	NBL	17,575,139.46	13,950,000.00	(3,625,139)
34	NCCBANK	12,526,093.80	11,130,000.00	(1,396,094)
35	ONEBANKLTD	11,529,212.48	7,875,000.00	(3,654,212)
36	PDL	4,522,454.83	3,878,280.00	(644,175)
37	POWERGRID	7,881,247.54	7,200,000.00	(681,248)

38	PREMIERBAN	6,720,425.74	5,382,000.00	(1,338,426)
39	PRIMEBANK	16,866,427.06	12,941,500.00	(3,924,927)
40	RSRMSTEEL	10,998,058.68	6,975,000.00	(4,023,059)
41	RUPALIBANK	9,509,416.20	6,658,800.00	(2,850,616)
42	SAIFPOWER	13,116,505.62	8,505,000.00	(4,611,506)
43	SIBL	8,950,950.89	6,113,214.80	(2,837,736)
44	SILVAPHL	91,930.00	276,709.30	184,779
45	SKTRIMS	50,420.00	256,779.80	206,360
46	SOUTHEASTB	11,622,772.28	9,360,000.00	(2,262,772)
47	SSSTEEL	134,920.00	0.00	(134,920)
48	TITASGAS	25,624,413.56	18,200,000.00	(7,424,414)
49	UCB	9,474,331.30	7,040,000.00	(2,434,331)
50	UTTARABANK	13,444,595.22	9,975,000.00	(3,469,595)
51	VFSTD	31,994.22	203,398.20	171,404
52	WMSHIPYARD	3,029,016.47	2,786,000.00	(243,016)
53	ZAHEENSPIN	1,167,424.56	616,000.00	(551,425)
Total Taka		524,233,003	375,867,498	(148,365,505)