



Paradigm Shift For Sustainable Growth

Annual Report 2016



Standard Bank Limited
setting a new standard in banking

ANNUAL REPORT 2016



**Paradigm Shift For
Sustainable Growth**

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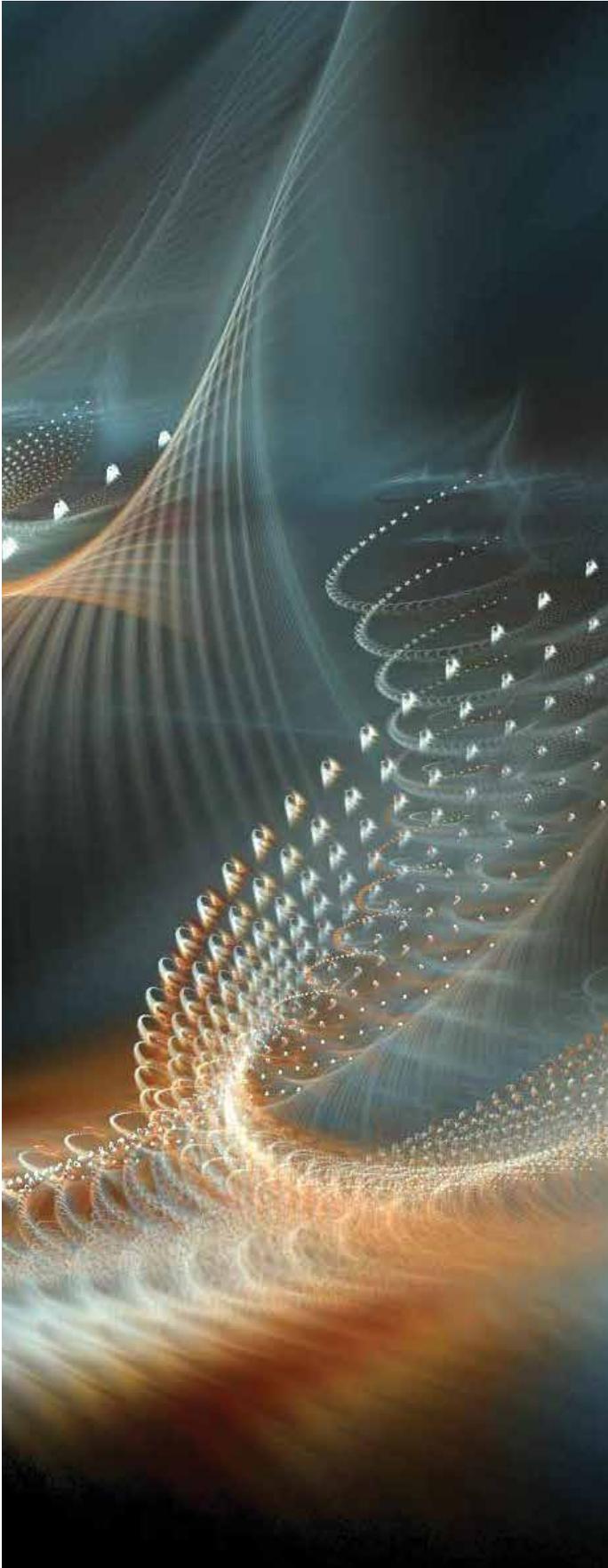
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PARADIGM SHIFT FOR SUSTAINABLE GROWTH

Sustainable development is a common concept of the 21st century. However, the expected changes towards sustainable development are slow. We believe every change starts with changes in understanding of the subject matter. If sustainable development is the aim, it should start with changes in understanding. This paper aims to explain the necessary paradigm shift for sustainable development by the contribution of Islamic economics. While doing this, the reasons of paradigm shift, the content of such a paradigm shift, and the possible contributions of Islamic economics will be analyzed.

LETTER OF TRANSMITTAL

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

Sub: Annual Report of Standard Bank Ltd, for the year ended December 31,2016

Dear Sir(s),

Thank you for being with us in the year 2016.

It is our immense pleasure to present before you a copy of the Bank's Annual Report 2016 along with the audited financial statements including consolidated and separate balance sheet as at 31st December 2016, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31st December 2016 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 18TH ANNUAL GENERAL MEETING



Notice is hereby given to all concern that the 18th (Eighteenth) Annual General Meeting (AGM) of the honorable members of Standard Bank Ltd. will be held on Sunday the 30th April, 2017 at 10:30 am at the Police Convention Hall (1st Floor), Eskaton Garden Road, Ramna, Dhaka to transact the following business and to adopt necessary resolutions:

Agenda

- i. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2016 along with the Auditors' Report and the Director's Report thereon.
- ii. To declare dividend for the year ended 31st December, 2016 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 for the term until the next AGM and fix their remuneration.
- v. To consider and approve the loan proposals of the Directors as recommended by the Board.
- vi. To transact any other business with the permission of the chair.

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

Dated: May 02, 2016
Dhaka

By order of the Board of Directors

Md. Ali Reza
Acting Company Secretary

Notes:

- i. The Board of Directors has recommended @ 5% Cash & 5% Stock dividend for the year ended 31st December, 2016 subject to approval in the 18th AGM.
- ii. The Record date of AGM will 13th April, 2017. The members whose names appeared in the register of members of the Company or in the Depository participant A/C of CDBL on record date shall be eligible to attend the meeting and entitle for dividend as mentioned above.
- iii. Any member entitle to attend and vote at the 18th AGM may appoint a proxy to attend and vote on his/her behalf. The Proxy form duly completed and stamped with a revenue stamp for Tk. 20/- by the member and must be submitted at the Registered Office of the company at least 48 hours before the time fixed for meeting.
- iv. The members are requested to update their BO accounts with mailing address, contact number, bank details and e-mail address with their respective DP (Depository Participant) before 'Record Date'.
- v. The members are also requested to update their E-TIN number with their respective DP (Depository Participant) before 'Record Date' failing of which Income Tax at Source will be deducted @15% instead of 10% on Cash Dividend under section 54 of Income Tax Ordinance 1984.
- vi. Entry in the venue of AGM will be allowed on production of the Attendance Slip.
- vii. Annual report, attendance slip and proxy form along with the notice are being sent to the members by post or courier service. The member may also collect the annual report or proxy form from the registered office of the company and may download those from the Bank's website (www.standardbankbd.com)

N.B.: No gift/Gift Coupon/Food Box etc. will be distributed / offered to the shareholders at 18th AGM to be held at Police Convention Hall as per instruction of Bangladesh Securities and Exchange Commission's (shareholders) Circular No. SEC/CMRRCD/2009-193/154 Dated 24 October, 2013.

OUR MISSION, VISION & CORE VALUES

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.

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

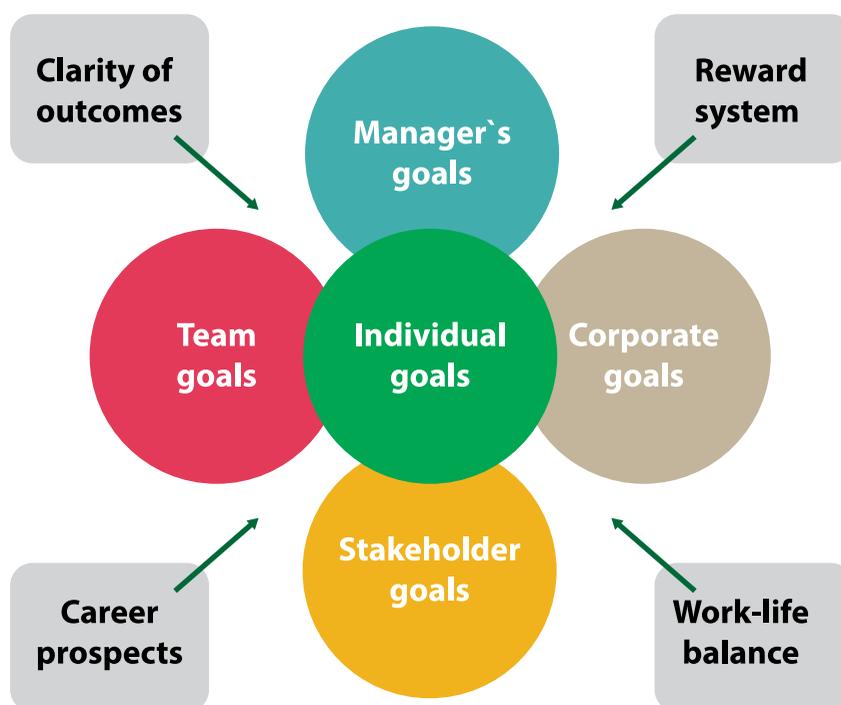
Marketplace Responsibilities:

- 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

Our goals within goals



STRATEGIC PRIORITIES



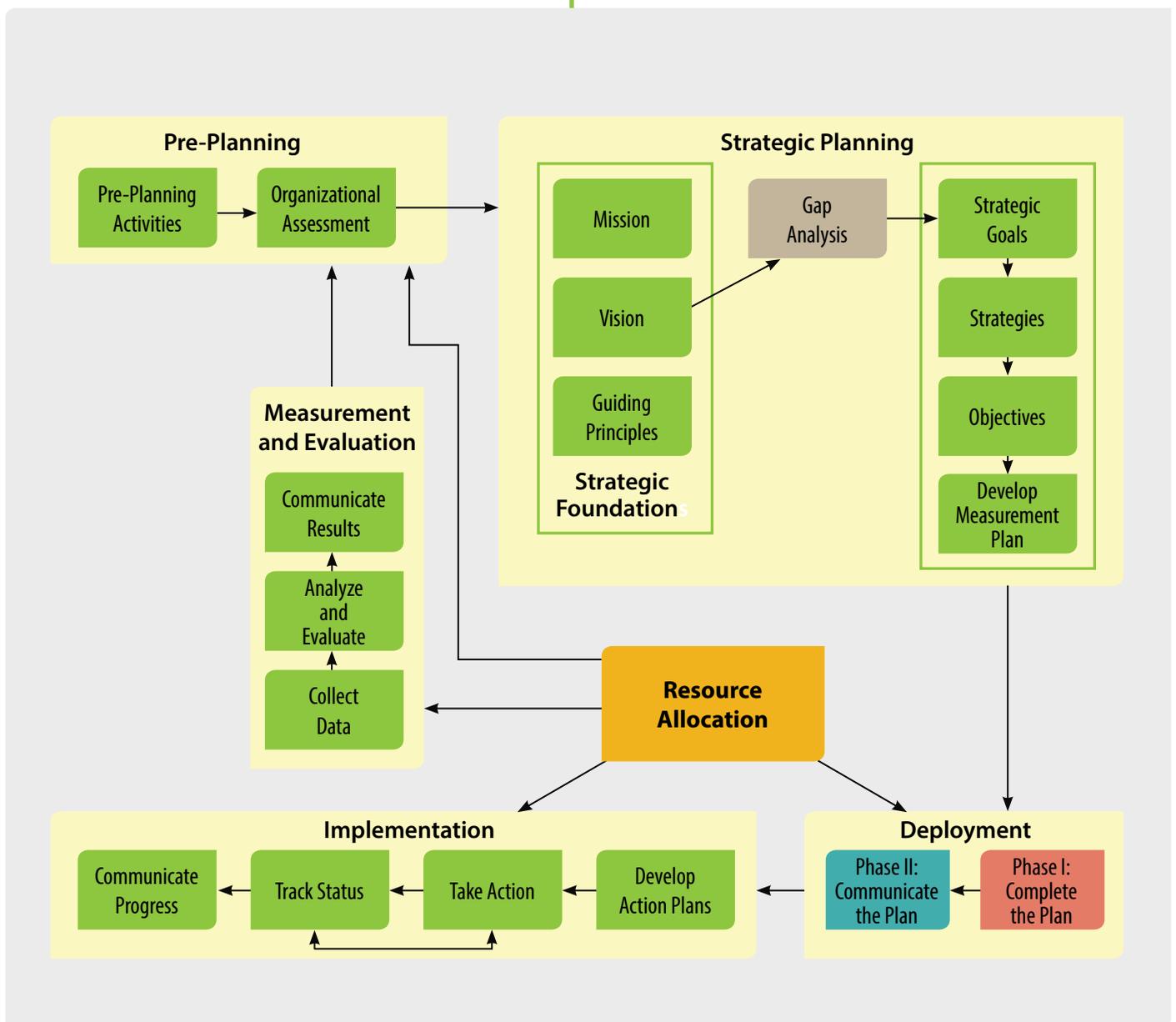
- a) To strive for sustainable business growth by ensuring customer satisfaction through quality and timely services.
- b) To ensure capital stewardship by Preservation and enlargement of multiple forms of capital; like intellectual, natural, financial, organizational, social; all of which contribute 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;
- b) Changes in monetary & fiscal policies and action of government or regulatory authorities;
- c) Increase in rate of Tax and VAT on corporate and Bank’s services;
- d) Increase in regulatory capital requirement, CRR and SLR of the Banks;
- e) Increase in competition within the financial industry;
- f) Changes in technology and evolving banking industry standards;
- g) Unfavourable movement of foreign exchange rates and interest rates;
- h) Rise in price of essential products in the local and international market;
- i) Effect on remittance flow due to political and economic unrest in different countries around the world;
- j) Volatility in Capital Market and Money Market;
- k) Increase in inflationary pressure;
- l) Constraints in access to external funding to meet liquidity requirement;
- m) Changing demographic developments including changing consumer spending, saving and borrowing habits;
- n) Changes in accounting standards or practices;
- o) 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

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 Consultants Advocate & Tax Consultant

Alhaj Md. Serajul Islam

Managing Director & CEO

Mr. Mamun-Ur-Rashid

Auditors

Shafique Basak&Co. Chartered Accountants

Legal Advisor

Mr. Ashraful Hadi

Rating Agency

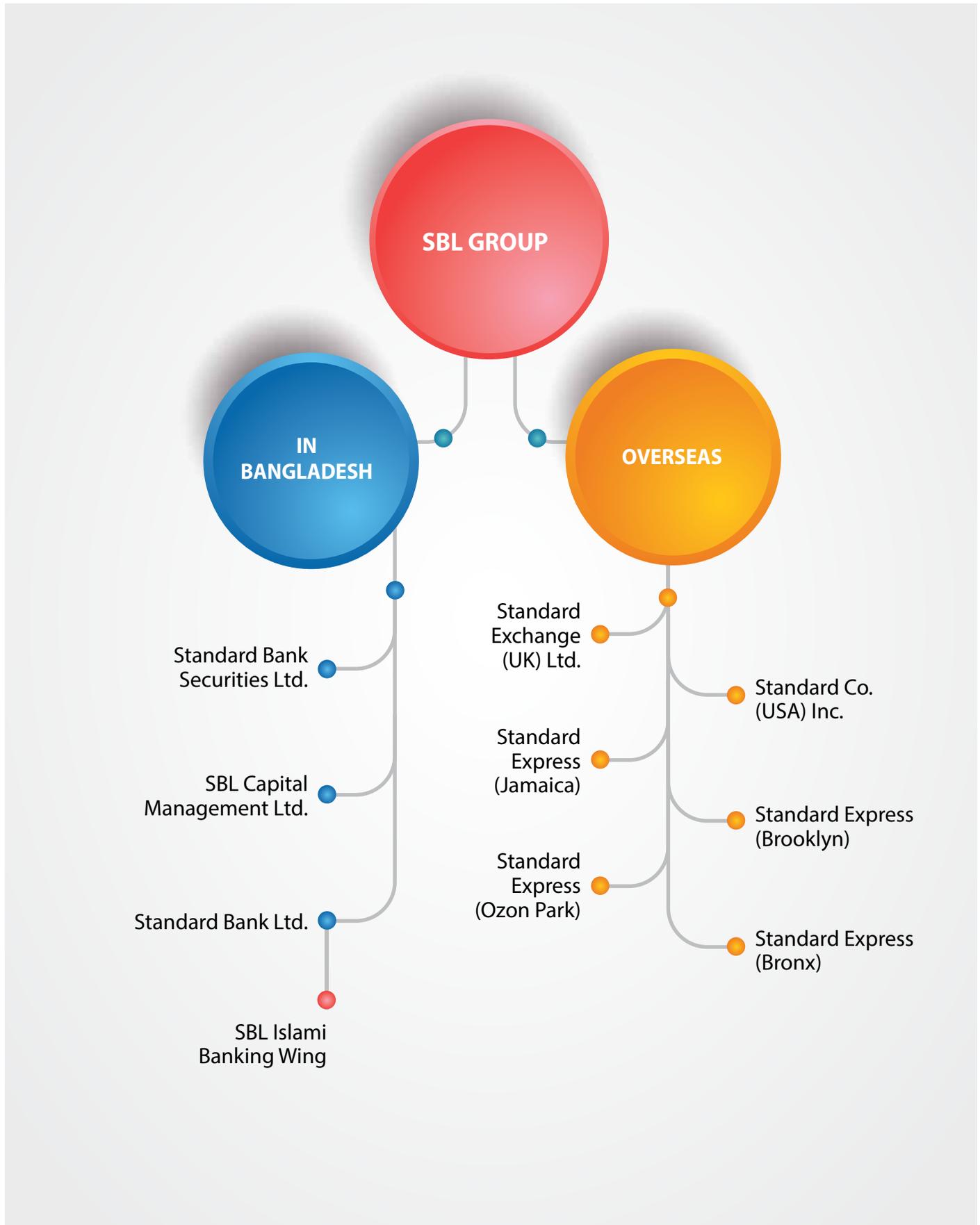
Credit Rating Information and Services Limited (CRISL)

Chief Financial Officer & Acting Company Secretary

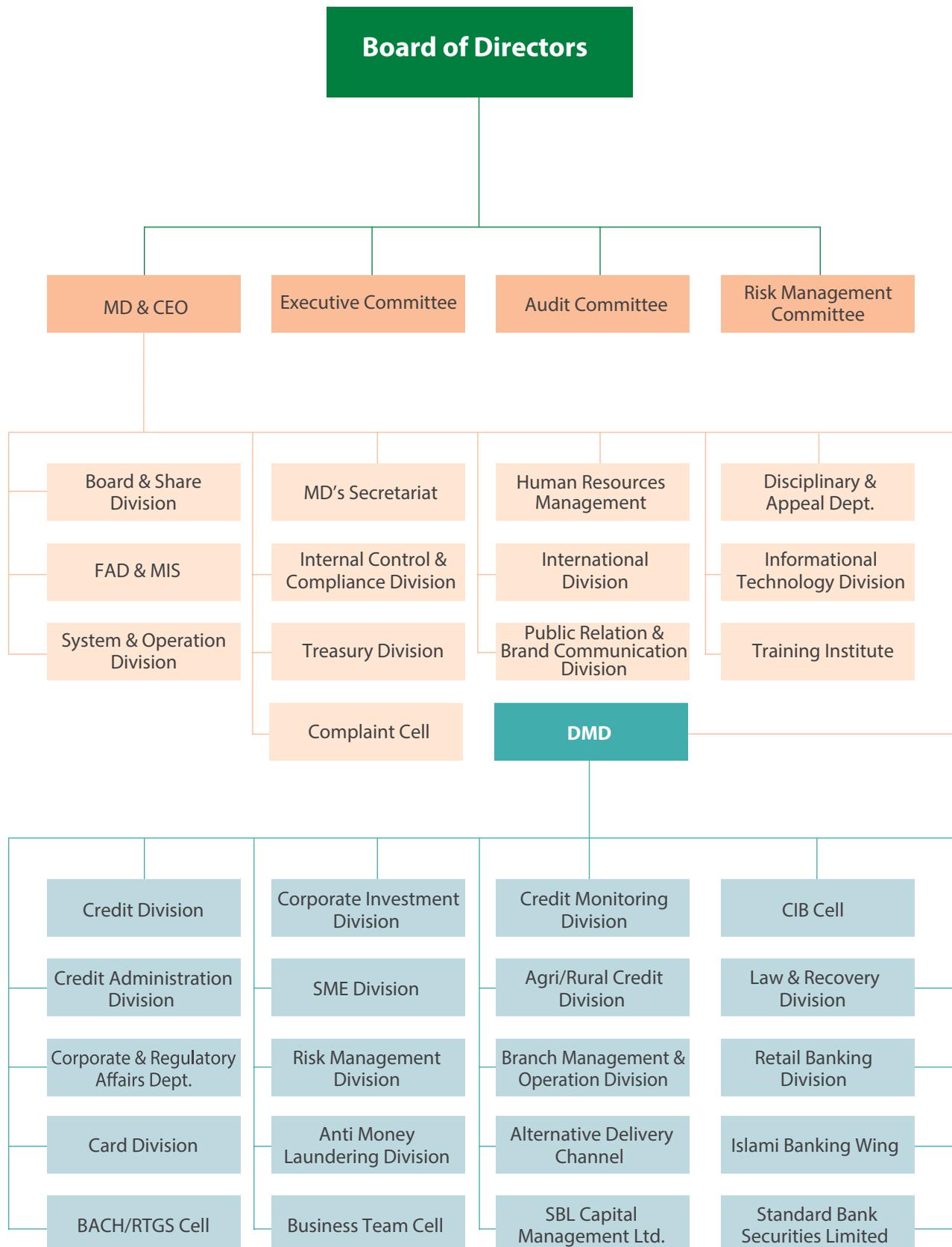
Md. Ali Reza



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

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

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

Work Order Finance

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

Housing/Real Estate Finance

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

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

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 Term Deposit (SND)
- Fixed Term Deposit
- Standard Regular Deposit Program (SRDP)
- Standard Regular Income Program (SRIP)
- 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)
- Foreign Currency Accounts
- Mudaraba Term Deposit Receipt Account (MTDR)
- Mudaraba Monthly Savings Scheme (MMSS)
- Mudaraba Regular Income Program (MRIP)
- NFCD Accounts
- RFCD Accounts
- Mudaraba Hajj Savings Scheme (MHSS)

Technology Product

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

Card Product

- Visa Credit Card
- Debit Card
- Visa Prepaid Card
- Fees and Charge
- Zero Pay
- Alliance Partner

Other Products

- Agent Banking SBL

OUR VALUE DRIVEN BUSINESS MODEL



SBL HIGHLIGHTS 2016



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 highly respectable Kazi family of Kotalipara, Gopalganj. Mr. Akram Uddin Ahmed did his M. Sc. in physics from Dhaka University in 1963 and thereafter received several local and foreign professional Diplomas and training. He did Diploma in Personnel Management from UK in 1974, Industrial Management training from Switzerland in 1980. Initially, he first started his career as a lecturer in Jagannath College, Dhaka and after a short spell of teaching profession, he switched over to Administrative career in the Industrial Sector, in Mohammodi Steel Chittagong in 1964. He left his service life in 1981 while he was General Manager of Bangladesh Steel and Engineering Corporation for embarking upon as an entrepreneur in the field of Industrial Manufacturing, Banking and other businesses. As a Chairman of Standard Bank Limited he has brought along with him a vast wealth of experience and expertise of managing a number of Industries of his own and of Bangladesh Steel and Engineering Corporation, prominent business houses and enterprises of diversified nature.

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

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

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

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

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



S. A. M. Hossain
Vice-Chairman

Mr. S.A.M. Hossain is a prominent, innovative and successful businessman of the country. He holds a Bachelor Degree in Commerce. He was born in a glorious and highly respectable Muslim family of Noapara, Raozan Thana under Chittagong district. He has started his glorifying business career in the Field of Electronics around 35 years ago and excels in this field like a star. Now his organization Victor Electronics and Victor International have become the trusted names across the country. He has expanded his business into many dimensions. He is the Chairman of Hotel Victory Ltd., Link Up Steel Mills Ltd., Eastern Metal Ind. (Ctg.) Ltd., and A & B Pumps Ltd. He is the Director of Standard Bank Ltd., Prime Insurance Co. Ltd., Central Hospital Ltd., Eastern Paper and Board Mills (Ctg.) Ltd., Intercontinental Securities Ltd., Human Resource Development Co. Ltd., and Surprise Industrial Corporation. He is the Proprietor of Victor Electronics, Victor International and Samira Electronics. He is actively associated with several distinguished educational and socio-cultural organizations. He is the life member of Army Golf Club Dhaka and Chittagong Club.

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

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



Kamal Mostafa Chowdhury
Director

Mr. Kamal Mostafa Chowdhury, a distinguished business personality comes of an aristocrats and respectable muslim family of Kazim Chowdhury Bari at Gunagari, Banshkhali in Chittagong district. Revered by all his business acumen, Mr. Chowdhury, a dynamic and visionary leader of banking and other business arena. He has taken part in establishing a good number of business entities including bank. He is the Founder Vice-Chairman, former chairman of Executive Committee, Standard Bank Ltd., Managing Director of Raja Securities Ltd., Proprietor of Raja Corporation and KMC International, Director of Holy Crescent Hospital in Chittagong. He is a highly experienced professional with successful track record in international trading. While Mr. Chowdhury was studying in Chittagong University, he started his business career through import export and shipping sector.

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

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

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



Ashok Kumar Saha
Director

Mr. Ashok Kumar Saha, a thorough professional and prominent Industrialist, was born in a renowned Hindu family at Ghatforhadbegh, Chittagong. He completed his postgraduation in Chemistry from University of Chittagong, B.Sc. Engineering (Electrical) from Ohio University, Ohio, USA and Master of Business Administration from University of New Haven, Connecticut, USA. He became as a Director of Standard Bank Limited on 12.10.2009 in place of his father Late Nani Gopal Saha who was a Sponsor Director of the Bank and well known Industrialist of the country as well as declared CIP (Commercially Important Person) by the Government & was the highest Taxpayer of Chittagong region twice. Mr. Ashok Kumar Saha is widely known in the business circle in Chittagong who is a Chairman of A. K. Saha Steel Industries (Pvt.) Limited, Director of NG Saha Steel Industries (Pvt.) Limited & NGS Cement Industries Limited and Managing Director of NGS Industries Limited & Uttam Oil Limited. He obtained lot experience regarding Marketing Survey Reports of various companies in USA during MBA Degree and accomplished some logical Digital projects for Electrical and Computer Engineering in Ohio, USA. He is well connected with various social and religious activities specially served as Host Leader of Bangladesh Special Olympic Team, New Heaven, Connecticut, USA and contributed for Sports of Bangladesh Olympic Association, Dhaka on 2009.



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 grew up in a pious Muslim family and established himself as a star, flamboyant hotel businessman in Bangladesh. He has a wide range of experience in several businesses. He is the sponsor shareholder of Sonali Insurance Company Limited, Director of Hotel Golden Dragon Limited, Hotel Eram International Limited and Hotel Peacock Limited were established under his flagship and dynamic directorship. He is also the proprietor of Olio Enterprise and Hotel Oli Dream Heaven.

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

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



Md. Monzurul Alam
Director

Mr. Md. Manzurul Alam is a renowned Industrialist having over 35 years of business experience. He is the Chairman of H. M. Steel & Ind. Limited., Alhaj Mostafa Hakim Bricks Limited & Managing Director of Golden Ispat Ltd, Golden LPG Ltd, 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, Mutual Jute Spinners Ltd. He is also the Proprietor of M/s. Monzur Alam. Besides, he is a General Member of Chittagong Chamber of Commerce & Industry. Mr Alam is also associated with many social and educational institutions and is the founder of Mostafa Hakim College and Alhaj Mostafa Hakim Welfare Foundation. He was elected as Ward Commissioner and was held the position as Mayor of Chittagong City Corporation.



Mohammed Abdul Aziz
Director

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

Ln. Aziz completed his SSC examination from renowned Galimpur Rahmania High School in the year 1968. After that, he completed his HSC from Govt Dhaka College in the year 1970. He was also a valiant freedom fighter who participated in the Liberation War of 1971. He successfully obtained graduation in Commerce in the year 1972 from Dhaka College.

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

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

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

1. Major donor & member of governing Body of Arambagh Girls' High School.
2. Vice Chairman of Dhaka Progressive Lions Eye Hospital
3. Former Vice chairman 1 st division Arambagh Football Club
4. Donor of Ln Ferozur Rahman Residential Academy, Brahmanbaria. He is a widely travelled person who travelled SAARC region, USA, UK, Australia and Morocco. As a Lion & a business magnet Lion Aziz received numerous awards & recognitions.



**Al-Haj Mohammed
Shamsul Alam**
Director

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

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

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

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

1. Founder President of "Amena Bashar Boyoshaka Punarbashan Kendra" Noapara Raozan, Chittagong.
2. Donor Member of Noapara Muslim High School, Noapara, Raozan, Chittagong.
3. Member of the Lions Club of Chittagong.
4. Associate Member of the Chittagong Chamber of Commerce & Industry.



Gulzar Ahmed
Director

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



Md. Zahedul Hoque
Director

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

Mr. Zahedul Hoque is the proprietor of M/S Zahed Brothers (import of foodgrains, spices, betel nut, sugar & vegetable oil) and M/S NLZ Fashion (computerized embroidery unit). He is also the Managing Director of M/S NLZ Fashion Limited (100% export oriented readymade garments in Chittagong Export Processing Zone) and Director of M/S Noor Oil & Food Products Ltd. & M/S Arafat Limited (Iodized Salt Industries). Mr. Md. Zahedul Hoque is associated with many renowned social organizations and also devoted to social workers as well as involved with the following institutions:

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, Chittagong.
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 Senior's 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 Md. Yousuf Chowdhury
Director

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

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



S. S. Nizamuddin Ahmed
Independent Director

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

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

Prior to that he was appointed as General Manager in Sonali Bank, besides holding the charge of about 19 Divisions in the Head Office at that time. He was also assigned with the task of Audit & Inspection of Sonali Bank's Overseas Branches viz.

General Manager's Office UK (Controlling Office), 02 branches within London and 03 other branches Birmingham, Manchester and Bradford branches in the United Kingdom in 1992. Prior to that he was also the GM of BKB, JB and also DMD of JB.

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

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

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

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

He bears spiritual legacy of an illustrious sufi saint family of this sub continent and he is the Grandson of the illustrious Holy Sufi Saint Hazrat Gause PakSaha Sufi Syed Moulana Golam-Ur-Rahman Al-Hasani, Wal-Hussiani, 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 Aminu I Huq Chaudhury comes of a very respectable Muslim Zaminder family of Chittagong, Nazir's Family in North-Kattali. He obtained his graduation in Commerce (B.com) from St. Xaviers College of Calcutta. He undertook a number of training courses on Business Administration and Industrial Management. He attended number of seminars & symposium on Business Administration and Industrial Management in the country and abroad.

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

At present he has been serving as

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



Iftikhar-Uz-Zaman
Managing Director, ICB
Director

Current Responsibilities

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

Past Responsibilities

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

Education

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



Mr. Mamun-Ur-Rashid
Ex-Officio Director

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 career with National Bank as a probationary officer in the year 1984. In the process of career progression, he capitalizes the opportunities to be associated with few other banks like NCCBL, Prime Bank, UCBL 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 & 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 at home and abroad. He extensively visited many countries including United Kingdom (UK), Italy, Singapore, Malaysia, Thailand, China, UAE, Saudi Arabia, Egypt, and Qatar.

Mr. Mamun was a Lecturer of Political Science in Sitakund Degree College, Chittagong prior to joining the Banking Industry. He is happily married with Mrs. Jesmin Chowdhury and they are caring and loving parents of a son and a daughter.

SPONSORS OF THE BANK



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|---|--|
| <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 10. Mohammed Abdul Aziz
Sponsor 11. Al-haj Mohammed Shamsul Alam
Sponsor 12. Abdul Ahad
Sponsor 13. 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 |
|---|--|

BOARD OF DIRECTORS



Mr. Ashok Kumar Saha
Director

Mr. S. S. Nizamuddin Ahmed
Independent Director

Mr. Ferozur Rahman
Director

Mr. Kamal Mostafa Chowdhury
Director

Mr. Mohammed Abdul Aziz
Director

Mr. Iftikhar-Uz-Zaman
Director

Mr. Mamun-Ur-Rashid
MD & CEO

Mr. S. A. M. Hossain
Vice-Chairman

Mr. Al-Haj Mohammed Shamsul Alam
Director

Mr. Kazi Akram Uddin Ahmed
Chairman

Mr. Al-Haj Md. Yousuf Chowdhury
Director

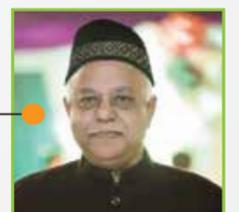
Mr. Gulzar Ahmed
Director

Mr. Md. Zahedul Hoque
Director

Najmul Huq Chaudhury
Independent Director
(Absent in the group photograph)



Md. Manzurul Alam
Director
(Absent in the group photograph)



EXECUTIVE COMMITTEE



Mr. Ashok Kumar Saha
Member

Al-haj Mohammed Shamsul Alam
Member

Mr. Ferozur Rahman
Member

Mr. Gulzar Ahmed
Chairman

Al-haj Mohd. Yousuf Chowdhury
Member

Mr. Mohammed Abdul Aziz
Member

Mr. S.A.M. Hossain
Member

Mr. Mamun-Ur-Rashid
MD & CEO

AUDIT COMMITTEE



Mr. Md. Zahedul Hoque
Member

Mr. Md. Iftikhar-Uz-Zaman
Member

Mr. S. S. Nizamuddin Ahmed
Chairman

Mr. Kamal Mostafa Chowdhury
Member

Mr. Najmul Huq Chaudhury
Member

RISK MANAGEMENT COMMITTEE



Mr. S.A.M. Hossain
Member

Mr. Mohammed Abdul Aziz
Member

Mr. Kazi Akram Uddin Ahmed
Chairman

Al-haj Mohd. Yousuf Chowdhury
Member

Mr. Mamun-Ur-Rashid
MD & CEO



Md. Monzurul Alam
Member
(Absence in the Group Photograph)

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

COMMITTEES OF THE BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Sl. No.	Particulars	Designation
1	Mr. Gulzar Ahmed, Director	Chairman
2	Mr. Ashok Kumar Saha, Director	Member
3	Mr. Ferozur Rahman, Director	Member
4	Mr. S.A.M. Hossain, Vice-Chairman	Member
5	Mr. Mohammed Abdul Aziz, Director	Member
6	Al-haj Mohammed Shamsul Alam, Director	Member
7	Al-haj Mohd. Yousuf Chowdhury, Director	Member
8	Md. Ali Reza, Acting Company Secretary	Member Secretary

AUDIT COMMITTEE

Sl. No.	Particulars	Designation
1	Mr. S. S. Nizamuddin Ahmed, Independent Director	Chairman
2	Mr. Kamal Mostafa Chowdhury, Director	Member
3	Mr. Md. Zahedul Hoque, Director	Member
4	ICB, represented by it's Managing Director, Mr. Md. Iftikhar-Uz-Zaman	Member
5	Mr. Najmul Huq Chaudhury, Independent Director	Member
6	Md. Ali Reza, Acting Company Secretary	Member Secretary

RISK MANAGEMENT COMMITTEE

Sl. No.	Particulars	Designation
1	Mr. Kazi Akram Uddin Ahmed, Chairman	Chairman
2	Mr. Monzurul Alam, Director	Member
3	Mr. S.A.M. Hossain, Vice-Chairman	Member
4	Mr. Mohammed Abdul Aziz, Director	Member
5	Al-haj Mohd. Yousuf Chowdhury, Director	Member
6	Mr. Mamun-Ur-Rashid, Managing Director	Ex-officio Member
7	Md. Ali Reza, Acting Company Secretary	Member Secretary

SHARIAH SUPERVISORY COMMITTEE

Sl. No.	Particulars	Designation
1	Janab Kazi Akram Uddin Ahmed Honorable Chairman, Standard Bank Ltd.	Chairman
2	Janab Hafiz Kazi Muhammad Ibrahim Head Mohaddis, Hadis Department, Jameah Qasemiah Kamil (MA) Madrasha. Gab-tauli, Norsinghdi.	Member
3	Janab Kazi Khurram Ahmed Honorary Consul of Gambia in Dhaka, Bangladesh Chairman & Managing Director, EMX Limited	Member
4	Janab Dr. Muhammad Saifullah Islamic Scholar & Associate Professor, Dept. of Islamic Studies, Asian University of Bangladesh	Member
5	Janab Mr. Mamun-Ur-Rashid Managing Director of the Bank	Ex-officio Member
6	Md. Ali Reza Acting Company Secretary, Standard Bank Ltd	Member Secretary

MANAGEMENT COMMITTEE



▶ **Mr. Mamun-Ur-Rashid**
Managing Director & CEO

▶ **Mr. Md. Motaleb Hossain**
Deputy Managing Director

▶ **Mr. A.M.M. Laskar**
SEVP & Head of Credit

▶ **Mr. Muhammed Sakhawatur Rahman**
EVP & Head of BMOD

▶ **Mr. Hossain Ahmad**
EVP & Head of IT

▶ **Mr. Haradhan Chandra Das**
EVP

▶ **Mr. Syed Anisur Rahman**
EVP & Head of ID

▶ **Mr. Md. Saiful Islam Khan**
SVP & Head of CAD

▶ **Mr. Md. Zashim Uddin**
SVP & Head of ICCD

▶ **Mr. Md. Zahangir Alam**
VP & Head of FAD

▶ **Mr. Md. Ali Reza**
VP, CFO & Acting Company Secretary

▶ **Mr. Syed MosnoonAli**
VP & Head of HR (CC)

MANAGEMENT TEAM

Designation	Name
Managing Director & CEO	Mr. Mamun-Ur-Rashid
Deputy Managing Director	Mr. Md. Motaleb Hossain
Sr. Executive Vice President	Mr. A. F. Jamal Uddin Mr. Mohammad Ali Ms. Haider NurunNafer Mr. Feroze Alam
Executive Vice President	Mr. MuhammedSakhawatur Rahman Mr. Hossain Ahmad Mr. M Ahsan UllahKhan Mr. Md. Anwar Hossain Mr. M.U.MMusaddeque Mr. Haradhan ChandraDas Mr. Syed AnisurRahman Mr. Md. Nazrul Islam
Principal	Mr. Mohammad Zakaria
Sr. Vice President	Mr. A.H.M. ManzurQuader Khan Mr. Md. Saiful IslamKhan Mr. Zaglul Pasha Mr. Md. Zashim Uddin Mr. Probir KumarBhowmick
CFO & Acting Company Secretary	Mr. Md. Ali Reza
Vice President	Mr. Md. Shahabuddin Chisti Mr. Muhammad Golam Mustafa Mr. Md. Suruj Ali Ms. Quamrun Nahar Hasmi Mr. Mominul Abedin Mr. Rahim Khan Mr. Sheikh Lutfar Rahman Mr. Md. Zahangir Alam Mr. Md. Ekramul Haque Mr. Md. Abdus Salam 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. Md. Nurul Islam Mr. Mamun Abdur Raschid Mr. Syed Mosnoon Ali Ms. Rebeka Sultana Mr. Md. Abu Hena Nazim Uddin Mr. Md. Saiful Islam Mr. S. M. Nazrul Islam Mr. Md. Golam Mawla Mr. Md. Abdul Mannan Mr. Md. Raisul Alam Mr. Md. Aminul Islam Mr. Kh Sazzadur Rahim

Designation	Name
Senior Assistant Vice President	Mr. Humayun Kabir
	Mr. Md. Mahbubur Razzak
	Mr. Md. Farhad Hussain
	Mr. Parvez Mahfuz
	Mr. Md. Farukuzzaman
	Mr. Munshi Golam Rahman
	Mr. Md. Rezaul Hoque
	Mr. Mohammad Shohrab Hossain
	Mr. Mohammad Faisal
	Mr. Mesbah Ul Alam
	Mr. Md. Ataur Rahman
	Mr. A.K.M. Manjur Alam
	Mr. Md. Abu Sayeed
	Mr. Md. Moyeedul Islam
	Mr. Mohammad Ahmed Zaki
	Mr. M. S. Shahriar
	Mr. Shah Rahat Uddin Ahmed
	Mr. Mohammad Amzad Hossain Fakir
	Mr. Mir Mohammad Emrul Kayes
	Mr. Shahnur Md. Oleul Hassan
	Mr. Md. Khorshed Alam
	Mr. Tapas Kumar Mandal
	Mr. Shoaib Mahmud Tuhin
	Mr. Muhammad Jabedul Islam
	Mr. Mohammad Jahangir Alam
	Mr. M A Goffer Daria
	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	

Designation	Name
Asst. Vice President	Mr. Md. Nayeem Chowdhury
	Mr. A K M Laznur Rahman
	Mr. Golam Mostafa
	Mr. Md. Shafiqul Islam
	Mr. Aziz Ahmed
	Ms. Nahid Farzana
	Mr. Rafique Mahmud
	Mr. Khandoker Didarul Islam
	Mr. Md. Shahjalal Khan Mojlish
	Mr. Md. Shariful Islam
	Mr. Md. Touhidul Huq
	Mr. Mohammad Harun- Ur-Rashid
	Mr. Md. Saiduzzaman Chowdhury
	Mr. Fachihul Alam Chowdhury
	Mr. Md. Khurshed Alam
	Mr. Sk. Mustafizul Islam
	Mr. Md. Rezaur Rahman
	Mr. Sharif Zahirul Islam
	Mr. Md. Hasibul Hasan
	Mr. Md. Mosharraf Hossain Khan
	Mr. Md. Jaynul Abedin
	Mr. Mirza Muhammad Masud Rana
	Mr. Mrinal Kanti Sutradhar
	Ms. Hasina Yesmin
	Mr. Md. Abdul Khaleque
	Mr. Asaduzzaman
	Mr. Khan Md. Zahurul Haque
	Mr. Mohammed Forman Elahi
	Mr. Md. Ayubur Rahman
	Mr. Abu Nayem Md. Ibrahim
	Mr. Mohammad Shafiqul Islam
	Mr. Md. Ramzan Ali
	Mr. Khandaker Amir Entezam



Kazi Akram Uddin Ahmed
Chairman

চেয়ারম্যান মহোদয়ের ভাষণ

বিস্মিল্লাহির রাহমানির রাহিম,

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

আস্-সালামু আলাইকুম।

গ্রীষ্মের এই শুভ সকালে স্ট্যাণ্ডার্ড ব্যাংক লিমিটেডের ১৮তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সবাইকে স্বাগত জানাতে পেয়ে আমি অত্যন্ত আনন্দিত ও সম্মানিত বোধ করছি। আমি কৃতজ্ঞতা ও শ্রদ্ধা নিবেদন করছি তাদের উদ্দেশ্যে, যাদের অব্যাহত সমর্থন, সক্রিয় সহযোগিতা ও উদ্দীপনা, বিগত বছরগুলিতে আমাদের অগ্রগতি অর্জনে সহায়ক ভূমিকা পালন করেছে। যাদের অকুণ্ঠ সমর্থন ও অনুপ্রেরণাই আমাদেরকে কঠিন চ্যালেঞ্জ সফলভাবে মোকাবেলার শক্তি যুগিয়েছে, যা আমাদেরকে উত্তরোত্তর সাফল্য ও অগ্রগতির ধারায় নিয়ে এসেছে। আমার প্রত্যাশা, আগামীতেও ব্যাংক আপনাদের সকলের পক্ষ থেকে আরো আন্তরিক সমর্থন ও সক্রিয় সহযোগিতায় সমৃদ্ধ হবে। আপনারা নিশ্চয়ই অবগত আছেন, কল্যাণধর্মী বাণিজ্যিক ব্যাংক হিসেবে দেশের আর্থসামাজিক উন্নয়নে অবদান রাখার পাশাপাশি স্ট্যাণ্ডার্ড ব্যাংককে একটি শীর্ষস্থানীয় ও বিশ্বমানের প্রতিষ্ঠানে রূপ দেয়ার ক্ষেত্রে আমাদের প্রচেষ্টা নিরন্তর। ব্যাংকের বর্তমান কার্যক্রম এবং আগামী দিনে ব্যাংকের সম্ভাবনার বিষয়ের প্রতিবেদন আপনাদের সামনে উপস্থাপন করার সুযোগ পেয়ে আমি অত্যন্ত আনন্দিত ও গর্বিত। আপনাদের মূল্যবান মতামত ও অনুমোদনের জন্য স্ট্যাণ্ডার্ড ব্যাংক লিমিটেডের ২০১৬ 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 সু-শাসন 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 কাঙ্ক্ষিত লক্ষ্য 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 বিশ্বভূবনে আলোচিত একটি দেশ। ইতোমধ্যে বিশ্বব্যাপক বাংলাদেশকে নিম্ন মধ্যম আয়ের দেশ হিসেবে ঘোষণা করেছে। ২০১৫-১৬ বৎসরে জিডিপি দাঁড়িয়েছে ৭.১ শতাংশে এবং ২০১৬-১৭ সালে ৭.৪ শতাংশ প্রাক্কলন করা হয়েছে। ক্রয়ক্ষমতার ভিত্তিতে বাংলাদেশের অবস্থান ৩২ তম এবং জিডিপি'র ভিত্তিতে ৪৪ তম স্থানে উঠে এসেছে। বর্তমানে বাংলাদেশ গড় আয় দাঁড়িয়েছে ১৪৬৬ মার্কিন ডলারে। দারিদ্রের হার ২০.২% এবং দারিদ্রসীমার নিচে অতি দরিদ্র ১২.৯% - এ নেমে এসেছে। ২০১৬ সালে বৈদেশিক মুদ্রার রিজার্ভ ৩২ বিলিয়ন ডলারে উন্নীত হয়েছে। ওয়ার্ল্ড ইকোনোমিক ফোরামের রিপোর্ট, ২০১৭ অনুযায়ী অন্তর্ভুক্তিমূলক উন্নয়ন সূচকে (Inclusive Development Index) ৪.০৩ পয়েন্ট অর্জন করে ৭৯টি উন্নয়নশীল দেশের মধ্যে বাংলাদেশ ৩৬ তম স্থান দখল ক'রে ভারত ও পাকিস্তানকে পেছনে ফেলেছে।

বাংলাদেশের অর্থনীতিতে নতুন মাত্রা যোগ করেছে বেশ কয়েকটি মেগা প্রকল্প তথা পদ্মা সেতু, রূপপুর আণবিক কেন্দ্র, রামপাল তাপ বিদ্যুৎ কেন্দ্র, ৪-লাইন সড়ক নির্মাণ, পায়রা সমুদ্র বন্দর সহ আরো মাঝারি প্রকল্প সমূহ। এসব প্রকল্পের Backward and Forward Linkage বিপুল অর্থনৈতিক প্রবাহ সৃষ্টি করবে। এছাড়া, ১০০টি অর্থনৈতিক অঞ্চল গড়ে তোলার পরিকল্পনা বাংলাদেশ অর্থনীতিকে বেগবান করবে। আমরা ব্যাংকিং সেক্টর সেবা খাতের অন্তর্ভুক্ত। বাংলাদেশ অর্থনীতিতে সেবা খাতের অবদান সবচেয়ে বেশী। জিডিপি'র ৫৩% সেবা খাত থেকে উৎসারিত। কৃষি ও শিল্প যথাক্রমে ১৬% ও ৩৯% অবদান রাখে।

অতি সম্প্রতি এইচএসবিসি এবং অক্সফোর্ড ইকোনোমিকস্ 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। একইসাথে 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: ব্রেক্সিটের পর যুক্তরাজ্যে পণ্যের চাহিদা কমে গেলে বাংলাদেশের রপ্তানি খাত ক্ষতিগ্রস্ত হতে পারে। আগামীদিনের বাংলাদেশ অর্থনীতির সম্ভাবনা ও চ্যালেঞ্জ দু'টোই থাকবে এবং নানা বিশ্লেষণে একটি স্থিতিশীল ও অগ্রসরমান অর্থনীতির চিত্রই ফুটে ওঠে।

২০১৬ সাল ব্যাংকিং খাত স্থিতিশীলতার দিকে আরো এক ধাপ এগিয়ে যেতে সহায়ক পরিবেশে ব্যাংকিং কার্যক্রম পরিচালনার সুযোগ লাভ করেছিল। মাথাপিছু আয় বৃদ্ধি, ৮০% জনগোষ্ঠী বিদ্যুৎ সুবিধার আওতায় আসা, ৫ কোটি মানুষ নিম্ন আয় থেকে মধ্যম আয়ে উন্নীত হওয়া প্রভৃতির উর্ধ্বমুখী সূচক অন্তর্ভুক্তিমূলক ব্যাংকিং

এর ক্ষেত্রে প্রসারিত করেছে। এছাড়া, মুদ্রাস্ফীতি ৫.৬ শতাংশের মধ্যে থাকায় সঞ্চয়ের উপর ইতিবাচক প্রভাব পড়েছে। সদ্য বিদায়ী বছর শেষে ব্যাংকিং খাতে আমানতের পরিমাণ দাঁড়িয়েছে ৮ লক্ষ ৫০ হাজার কোটি টাকা এবং ঋণপ্রবাহ ৬ লক্ষ ৭১ হাজার কোটি টাকায় উন্নীত হয়েছে। আমদানি বাণিজ্যের পরিমাণ ছিল ৩ লক্ষ ৫৯ হাজার কোটি টাকা এবং রপ্তানি ২ লক্ষ ৬৫ 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। ২০১৬ সালে শ্রেণীকৃত ঋণের পরিমাণ দাঁড়িয়েছে ৬৬ হাজার কোটি টাকা। এছাড়া, অবলোপনকৃত ঋণের পরিমাণ ৪২ হাজার কোটি টাকা; যার সিংহভাগই আদায়ের সম্ভাবনা থেকে দূরে।

২০১৬ সালে ব্যাংকের শাখার সংখ্যাও বেড়েছে এবং বছর শেষে মোট ৯৪৫৩টি শাখা ব্যাংকিং সেবা প্রদান করেছে। ব্যাংকিং খাতের বিনিয়োগকে অধিকতর ব্যবসা-বান্ধব করার লক্ষ্যে সুদের হার প্রায় একক ডিজিটে নেমে এসেছে- বর্তমানে এই হার ১০.৩৯ শতাংশ। বাংলাদেশ ব্যাংকের নির্দেশনার আলোকে স্প্রেড ৫ শতাংশের মধ্যে রাখার জন্য ব্যাংকগুলো নিষ্ঠার পরিচয় দিচ্ছে। অনেক সময় ব্যাংকে তারল্য উদ্ধৃতির কথা বলা হলেও প্রকৃতপক্ষে এটি সঠিক চিত্র নয়। বাংলাদেশের মুদ্রানীতি (জুলাই-ডিসেম্বর, ২০১৬) অনুসারে ব্যাংকের ঋণ প্রবাহ ১৬.৫ 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 ২০১৫-১৬ আর্থিক বছরে মোট রপ্তানি বাণিজ্য ৩৩.২ বিলিয়ন ডলারের মধ্যে তৈরী পো-ষাক খাতেই ২৯.৯৫ বিলিয়ন ডলার যা ৯০% এবং আমদানি বাণিজ্যের পরিমাণ ৪০ বিলিয়ন ডলার। তবে, বিগত বছরে বৈদেশিক রেমিটিয়ালের প্রবাহ কমেছে। ২০১৬ এর জুলাই-ডিসেম্বর অর্ধে পূর্ববর্তী বছরের একই সময়ের তুলনায় ১৭.৬৪ শতাংশ রেমিটিয়াল কমেছে। আলোচ্য সময়ে তেলের দাম হ্রাস, ইউরো ও পাউন্ডের মূল্যের অবনয়ন ও হুন্ডি-প্রবণতা রেমিটিয়াল প্রবাহে বিরূপ প্রভাব পড়েছে।

আপনারা সকলেই অবগত আছেন যে, আমাদের নিবেদিত কর্মীবাহিনী তীব্র প্রতিযোগিতামূলক ব্যাংকিং পরিবেশে নিষ্ঠার সাথে কাজ করে সফলভাবে ব্যাংকের কার্যক্রমকে সম্মানিত গ্রাহকস্বত্বের 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, কর্মসূচিতে প্রগতিশীল, লেনদেনে স্বচ্ছ, বিচারবিবেচনায় ন্যায্য পরায়ণ, মননে ভবিষ্যমুখী, দৃষ্টিভঙ্গিতে নিরপেক্ষ। আমাদের দূরদৃষ্টি পরিকল্পনা সমূহ, কর্পোরেট সুশাসন, আধুনিক ব্যবস্থাপনা, উন্নততর প্রযুক্তির ব্যবহার, অধিকতর মুনাফা অর্জন এবং সূচক আর্থিক ভিত্তি ও ব্যাংকের উচ্চ সু-নাম 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 সাম-াজিক ও পরিবেশের প্রতি দায়িত্ব ও গুরুত্বের প্রতি সম্মান রেখে বাণিজ্যিক কার্যক্রম পরিচালনা করে থাকে। গ্রীণব্যাংকিং এর দিকে ব্যাংক দ্রুত অগ্রসর হচ্ছে।

বর্তমানে ব্যাসেল-৩ চালু হওয়ায় প্রয়োজনীয় মূলধনের পর্যাপ্ততা নিরূপণ পূর্বক গ্রহণযোগ্য মূলধন সংরক্ষণের লক্ষ্যে ২০০ কোটি টাকার সাবঅর্ডিনেট বণ্ড ইস্যু করা হয়েছে ইতোমধ্যে আরো ৪০০ কোটি টাকার সাবঅর্ডিনেট বণ্ড ইস্যু প্রক্রিয়াধীন রয়েছে। যার ফলে একটি শক্তিশালী ভিত্তির উপর দাড়াতে, বর্তমানে ব্যাংকের মূলধন পর্যাপ্ততার হার ১১.৫৪%। দেশের পুঁজিবাজারকে আরো শক্তিশালী ও গতিশীল করার নিমিত্তে আমরা -এসবিএল ক্যাপিটাল ম্যানেজমেন্ট- এর মাধ্যমে ১৫০ কোটি টাকা বিনিয়োগ করা হয়েছে এবং স্ক্রুড বিনিয়োগকারীদের অর্থ সরবরাহ বাড়ানোর লক্ষ্যে স্ট্যান্ডার্ড ব্যাংক সিকিউরিটিজ লিঃ এর মাধ্যমে প্রায়

৮০ কোটি টাকা বিনিয়োগ করেছে। দেশের জনগণের ধর্মীয় অনুভূতির বিষয়টি বিবেচনায় নিয়ে টাকা ও চট্টগ্রামের দুটি শাখায় পৃথক ইসলামী ব্যাংকিং উইডোর মাধ্যমে এবং সারাদেশে বিদ্যমান ১৯৪টি শাখার সাহায্যে ব্যাংকিং সেবা প্রদান করা হচ্ছে এবং উক্ত সেবা আরো সম্প্রসারণ করার জন্য আমরা প্রচেষ্টা চালিয়ে যাচ্ছি। অনাবাসী বাংলাদেশীদের কফ্টারজিত বৈদেশিক মুদ্রা দ্রুত দেশে আনয়নের লক্ষ্যে আনুষ্ঠানিক খ্যাতি সম্পন্ন প্রতিষ্ঠান মানিগ্রামসহ বিভিন্ন এক্সচেঞ্জ হাউজের সাথে চুক্তি সম্পাদন করা হয়েছে। যুক্তরাজ্যের লন্ডনে স্ট্যান্ডার্ড এক্সচেঞ্জ (ইউকে) লিমিটেড এর পাশাপাশি বিদেশে অবস্থানরত বাংলাদেশী ভাইবোনদের দেশের প্রতি যে মমত্ববোধ ও দেশপ্রেম লক্ষ্য করেছে, তাতে আমরা অনুপ্রাণিত হয়ে ২০১৩ সনে আমরা ব্যাংকের শতভাগ মালিকানাযুক্ত যুক্তরাজ্যের নিউইয়র্কের জ্যাকসন হাইটস এ স্ট্যান্ডার্ড কোম্পানি ইউএসএ ইনকর্পোরেশন “স্ট্যান্ডার্ড এক্সপ্রেস” খোলার পর নিউইয়র্কে জ্যামাইকা, ওজোন-পার্ক, ব্রুকলিন ও ব্রুকলিং-এ আরও ৪ টি শাখা খুলেছি এবং অ্যাসটোরিয়া নিউইয়র্ক ও লস এঞ্জেলস এ শাখা খোলার পদক্ষেপ নেয়া হয়েছে। ইতিমধ্যে সৌদিআরবের জেদ্দায় শাখা খোলার অনুমোদন পাওয়া গেছে। অতি শীঘ্রই এই শাখার কার্যক্রম শুরু হবে। পর্যায়ক্রমে বাঙ্গালী অধ্যুষিত বিশ্বের অন্যান্য স্থানে যেমন- স্পেন, দক্ষিণ কোরিয়া, মধ্যপ্রাচ্য, কানাডা, ইতালি, মালয়েশিয়া ও সিঙ্গাপুরে আরো এক্সচেঞ্জ হাউস খোলা হবে।

বিদেশগামী ও প্রত্যগতদের সেবা সম্প্রসারণের লক্ষ্যে হযরত শাহজালাল(র) আন্তর্জাতিক বিমান বন্দর, ঢাকাতে আমরা “ফরেন কারেঞ্জি এক্সচেঞ্জ” বুথ খোলা হয়েছে। বিগত বছরে ফরেন রেমিটিয়াল খাতে আমরা উল্লেখযোগ্য পরিমাণে ব্যবসা আহরণে সমর্থ হয়েছি। পাশাপাশি বাল্যকাল থেকে সঞ্চয়ের অভ্যাস গড়ে তোলার লক্ষ্যে ছাত্র/ছাত্রীদের স্কুল ব্যাংকিং, শিক্ষা স্কিম কার্যক্রম পরিচালনার লক্ষ্যে আমাদের সকল শাখায় স্কুল ব্যাংকিং কার্যক্রম চালু করেছি এবং শ্রমজীবী ও সাধারণ মানুষের কল্যাণে ওয়ার্কস সেভিংস স্কিম এর মতো জনকল্যাণমুখী ব্যাংকিং কার্যক্রম প্রক্রিয়াধীন এবং শীঘ্রই তা প্রবর্তন করা হবে। জনসেবার বিষয়ে অগ্রাধিকার দিয়ে বিভিন্ন সংস্থার আবাসিক/ বাণিজ্যিক/ শিল্পখাতের বিভিন্ন ইউ-টিলিটি 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, রেজিট্রেশন ইত্যাদি ফি সমূহ ও আমরা জমা নিয়ে থাকি। দেশের ব্যবসা-বাণিজ্যে গতিশীলতা আনয়নের লক্ষ্যে স্ক্রুড 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 শিল্প খাতে ঋণ বিতরণের পরিমাণ দাঁড়িয়েছে ১৫৯.৫০ কোটি টাকা। বিগত ২০১৬ সনে এসএমই খাতে ৬৬০ কোটি টাকা ঋণ বিতরণ করা হয়েছে যার পরিমাণ ২০১৫ সালে ছিল ৪৯৪.৪১ কোটি টাকা।

স্ক্রুড ও মাঝারি উদ্যোক্তার অর্থনীতির প্রাণশক্তি। তাদেরকে অর্থনীতির মূলশ্রোতধারায় নিয়ে আসার লক্ষ্যে প্রধান কার্যালয় ও শাখা পর্যায়ে এসএমই ও কৃষি ঋণ নামে স্বতন্ত্র বিভাগের মাধ্যমে স্ক্রুড 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 কৃষি খাতে অর্থায়নের জন্য লক্ষ্যমাত্রা নির্ধারণ করে দিয়েছি, যাতে করে উক্ত খাতে আমরা আরো উলেখযোগ্য অবদান রাখতে সক্ষম হই। কৃষকদেরকে ব্যাংকিং চ্যানেলের আওতায় আনার লক্ষ্যে আমাদের ব্যাংক গ্রামীণ, এসএমই/কৃষি শাখাতে ১০ টাকা করে জমা গ্রহণের মাধ্যমে হিসাব খোলার নিয়ম চালু করেছি।

দেশের অর্থনীতির মূল চালিকাশক্তি হচ্ছে বৈদেশিক মুদ্রা। তাই আমাদের দেশের বৈদেশিক মুদ্রা ভান্ডার সমৃদ্ধশালী করার লক্ষ্যে রেমিটিয়াল 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 আডভল্টরী সস্পেন্ড 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 রেখেছি। 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 ৫৩ টি এটিএম বুথ খোলা হয়েছে এবং চলতি বছরে আমরা আরও ৫০ টি এটিএম বুথ খোলার পরিকল্পনা নিয়ে কার্যক্রম পরিচালনা করছি। আপনারা জেনে খুশি হবেন ২০১৬ সালে স্ট্যান্ডার্ড ব্যাংক ন্যাশনাল পেমেণ্ট সুইচ সিস্টেমের সাথে যুক্ত হয়েছে, যার ফলে বিভিন্ন ব্যাংকের ক্যাশ নেটওয়ার্কের আওতায় আমাদের সম্মানিত গ্রাহকরা প্রায় ৭,৫০০টির বেশি এটিএম বুথ ব্যবহারের সুযোগ পাবেন। ন্যাশনাল পেমেণ্ট সুইচ সিস্টেমের আওতায় গ্রাহকগণ ডেবিট কার্ডের মাধ্যমে ১৭,০০০টি মার্চেন্ট আউটলেটে কেনাকাটা করতে পারবে। এছাড়া আমরা গ্রাহকদের সুবিধার্থে ই-কমার্স চালু করার উদ্যোগ নিয়েছি।

ব্যাংকিং খাতে প্রযুক্তিকে ব্যবহারের অন্যতম হলো এসএমএস ব্যাংকিং বা অ্যালাইট 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 ব্যালেন্স, এফডিআর ম্যাচুরিটি, ইনস্টলমেন্ট ডিউ ইত্যাদি সুবিধা এসএমএস ব্যাংকিং সেবার আওতায় আনা হবে। মূলত গ্রামীণ জনপদে বসবাসকারী লোকদেরকে ব্যাংকিং সেবা দেওয়ার মানসেই আমাদের ব্যাংক মোবাইল ব্যাংকিং কার্যক্রম চালুর উদ্যোগ নিয়েছে। এ সেবার আওতায় মোবাইল ফোনের মাধ্যমে অর্থ প্রেরণ- জমা ও উত্তোলন- বেতন ভাতাদি প্রদান- ইউটিলিটি বিল পরিশোধ ইত্যাদি করা যাবে। ভৌগোলিকভাবে দেশের দুর্গম, পাহাড়ি, প্রত্যন্ত ও কম ঘনবসতি এলাকা যেখানে ব্যাংকিং সুবিধা এখনো পৌঁছায়নি ওই সব এলাকায় ছড়িয়ে, ছিটিয়ে থাকা দরিদ্র মানুষকে সীমিত আকারে ব্যাংকিং সেবা প্রদানের লক্ষ্য নিয়ে এজেন্টের মাধ্যমে সাময়িকি ব্যয়ে সীমিত আকারে আর্থিক সেবা দেওয়ার লক্ষ্যে এজেন্ট ব্যাংকিং চালু করা হয়েছে। এজেন্ট ব্যাংকিং এর মাধ্যমে সেসব প্রত্যন্ত গ্রাম বা এলাকার বাসিন্দারা নিজ পাড়া বা মহলায় অবস্থিত ব্যাংকের নিযুক্ত এজেন্টের কাছে গিয়ে স্বল্প ব্যয়ে ছোট অঙ্কের আমানত জমা, খণের 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 অথরাইজ ডিলার (এডি) শাখার কার্যক্রম অব্যাহত আছে এবং শীঘ্রই দেশের অভ্যন্তর থেকে বিদেশী 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 উন্নত হবে, ইনশাআল্লাহ। ব্যাংকের প্রত্যাশা, আধুনিকীকরণের এই প্রক্রিয়া উন্নত গ্রাহক সেবা প্রদানের লক্ষ্য অর্জনে সহায়ক হবে এবং দেশে বিদেশে অবস্থানরত সকল গ্রাহককে স্বল্প সময়ে কাঙ্ক্ষিত সেবা প্রদানে সক্ষম হবে।

বিশুব্যাপী আর্থিক মন্দা এবং প্রতিযোগিতামূলক ব্যাংকিং পরিবেশের প্রেক্ষাপটে ২০১৬ 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।

২০১৬ ও ২০১৬ সালে অর্জিত ব্যবসার তুলনামূলক পরিসংখ্যান নিম্নরূপ:

	২০১৬	২০১৫
ব্যাংকের আমানত	১২,২৫৫ কোটি টাকা	১০,৬৯৩ কোটি টাকা
ঋণ ও অগ্রিম	১০,৫০৪ কোটি টাকা	৯,৯৪৯ কোটি টাকা
বৈদেশিক বাণিজ্য	৯,৪১৯ কোটি টাকা	৯,০২৪ কোটি টাকা
ব্যাংকের পরিচালন মূল্য	৩২২ কোটি টাকা	৩২৭ কোটি টাকা
প্রতি শেয়ারে আয়	১.৪৪ টাকা	২.১২ টাকা
পরিশোধিত মূলধন	৭৫৪.১০ কোটি টাকা	৬৫৫.৭৪ 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 সমাপ্তির পথে। নকশাঅনুমোদন প্রক্রিয়াধীন রয়েছে। ইনশাআল্লাহ, খুব অল্প সময়ের মধ্যেই আধুনিক স্থাপনার নান্দনিক নির্মাণশৈলীর কর্পোরেট অফিস নির্মাণ কাজ শুরু হবে।

২০১৬ সালে আমরা ৫টি গ্রামীণ ও ৫টি শহর-ভিত্তিক মোট ১০টি শাখা খুলেছি। চলতি বছর আমরা আরো ১০টি শাখা খোলার অনুমতি পেয়েছি। ইতোমধ্যে, স্থান নির্বাচন ও আনুষ্ঠানিক কার্যক্রমের কাজ প্রায় সমাপ্ত। ব্যাংকের এই সম্প্রসারণ কার্যক্রমকে বাস্তবায়ন করার লক্ষ্যে আমরা অভিজ্ঞ কর্মকর্তা-কর্মচারী নিয়োগ দিয়ে মোট লোকবল ১৯৯২ জনে উন্নীত করেছি, যা দেশের বেকার সমস্যা সমাধান ও 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 আন্তর্জাতিক খ্যাতি সম্পন্ন ‘ইরা সফটওয়্যার’ এর সঙ্গে ব্যাংক চুক্তি সম্পাদন করেছে এবং এর আওতায় আমরা এখন রিয়েল টাইম অনলাইন এর মাধ্যমে ব্যাংকিং সুবিধা দিচ্ছি। বর্তমানে ব্যাংকের সকল শাখায় অনলাইন কার্যক্রম চালু রয়েছে। এখন আমাদের এক শাখার গ্রাহক অন্য যেকোনো শাখা হতে তার ব্যাংকিং লেনদেন নির্বিঘ্নে নিঃসম্পন্ন করতে পারছে। গ্রাহকদের ব্যাংকিং কার্যক্রম নিরবচ্ছিন্ন করার লক্ষ্যে নিজস্ব পাওয়ার সাপাই সুবিধা সম্পন্ন আধুনিক ‘ডাটা সেন্টার’ স্থাপন করা হয়েছে, যা অধিক ক্ষমতা সম্পন্ন। যে কোন ধরনের দুর্ঘটনা মোকাবেলা করে নিরবিচ্ছিন্নভাবে লেনদেন নিশ্চিত করতে আমরা ঢাকার বাইরে ‘ডিজাস্টার রিকভারি’ বা ‘ডিআর’ চালু করেছি। ভূমিকম্প, আগুন বা অন্য যে কোন কারণে ব্যাংকের লেনদেন বাধাগ্রস্ত হলে স্বয়ংক্রিয়ভাবে এই ‘ডিআর’ চালু হবে। ফলে যে কোন দুর্ঘটনা গ্রাহকের ব্যাংকিং লেনদেনে কোন প্রভাব পড়বে না।

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

ব্যাংকের কার্যক্রমে স্বচ্ছতা আনয়ন, অনিয়ম ও জাল-জালিয়াতি চিহ্নিতকরণ এবং তা দূরীকরণের লক্ষ্যে একটি দক্ষ অভ্যন্তরীণ নিরীক্ষা ও পরিপালন বিভাগ আমাদের রয়েছে। ব্যবস্থাপনা কর্তৃপক্ষ এবং অভিজ্ঞ ও শক্তিশালী অডিট কমিটির তত্ত্বাবধানে পরিকল্পনা মাসিক উক্ত বিভাগের কার্যক্রম পরিচালিত হয় যাতে ভুলত্রুটি, ত্রুটি বিচ্যুতি, জাল-জালিয়াতি পরিহার করা যায়। বাংলাদেশ ব্যাংকের প্রতিনিধিদের উপস্থিতিতে পর্ষদের 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 কর্মসূচি গ্রহণ করা হয়েছে। এ ধরনের কর্মসূচির মাধ্যমে ব্যাংক কর্মকর্তাদেরকে উন্নত ও দক্ষ গ্রাহক-সেবা প্রদানের সক্ষমতা তৈরি করছে। ২০০৬ সালে প্রতিষ্ঠিত স্ট্যান্ডার্ড ব্যাংক ট্রেনিং ইন্সটিটিউট ধীরে ধীরে পূর্ণাঙ্গ অবস্থায় রূপ লাভ করছে। ব্যাংকিং জ্ঞান, গুণাবলী ও দক্ষতার উৎকর্ষ সাধনে এই ইন্সটিটিউট 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 যুগসম্মত অন্যান্য কোর্স / কর্মশালা। এইরূপ ৫৭টি কোর্স/কর্মশালা ২০১৬ সালে পরিচালনা করা হয়েছে, যাতে ১,৮০০ জন প্রশিক্ষণার্থী অংশ নিয়েছেন।

সম্মানিত শেয়ারহোল্ডারগণ,

আপনারা নিশ্চয় অবগত আছেন যে, যদিও ২০১৬ এর বছর জুড়ে সামগ্রিক অর্থনীতি স্থিতিশীল ছিল, কিন্তু ব্যাংকিং খাত শ্লথ-বিনিয়োগ ও অতিরিক্ত তারল্যের কারণে কঠিন সমস্যার ভিতর দিয়ে যেতে হয়েছে। ঋণ ও অগ্রিম এর উপর সুদের হার বহুলাংশে কমে যাবার কারণে ঋণ আমানত এর সুদের স্প্রেড কমে যায় এবং যার ফলশ্রুতিতে মুনাফা দ্রুত হ্রাস পায়। আপনারা জেনে খুশি হবেন যে, আপনারদের ব্যাংক এই প্রতিকূল পরিস্থিতি বেশ সফলভাবে মোকাবেলা করেছে।

ব্যাংক সর্বদা সম্মানিত শেয়ারহোল্ডারদের সাথে অর্জিত সাফল্য ভাগাভাগি করার উপর গুরুত্ব আরোপ করে আসছে। আপনারা ইতোমধ্যে অবহিত হয়েছেন যে, আমাদের ২০১৬ সালের নীট মুনাফার পরিমাণ ১০৮.৮২ কোটি টাকা। আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, ব্যাংকের পরিচালনা পর্ষদ বাস্তব অবস্থা পর্যালোচনা পূর্বক ২০১৬ সালের জন্য ৫% হারে স্টক ডিভিডেন্ড এবং ৫% হারে নগদ লভ্যাংশ মোট ১০% লভ্যাংশ প্রদানের সুপারিশ করেছে, যা আপনারদের অনুমোদনের জন্য বার্ষিক সাধারণ সভায় আলোচ্যসূচীতে অন্তর্ভুক্ত করা হয়েছে।

প্রিয় শেয়ারহোল্ডারগণ,

বিদ্যমান অর্থনীতির বিরূপ পরিস্থিতিতে আমাদের ব্যাংকের শ্রেণীবিন্যাসকৃত ঋণ বা কু-ঋণের পরিমাণ তুলনামূলকভাবে কম। ব্যাংকের শ্রেণীবিন্যাসকৃত ঋণের পরিমাণকে নিয়ন্ত্রণ ও তদারকি করার জন্য প্রধান কার্যালয়ে ঋণ আদায় বিভাগ, শাখা ব্যবস্থাপকদের সঙ্গে নিয়মিত যোগাযোগ করে আসছে। উক্ত বিভাগ প্রতিনিয়ত মনিটরিং ও ফলোআপ করছে, ফলে শ্রেণীবিন্যাসকৃত ঋণের উর্ধ্বগতি ইতোমধ্যে নিয়ন্ত্রণে রাখা সম্ভব হয়েছে। আর এটি সম্ভব হয়েছে পর্ষদের সম্মানিত পরিচালকবৃন্দের প্রজ্ঞা, ব্যবস্থাপনা কর্তৃপক্ষের বিচক্ষণতা ও ব্যবস্থাপকবৃন্দের বিশ্লেষণাত্মক কার্যক্রমের জন্য। এজন্য আমি সবাইকে জানাই আন্তরিক ধন্যবাদ।

সম্মানিত শেয়ারহোল্ডারগণ,

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

ব্যাংক মুনাফা অর্জনের পাশাপাশি যাতে দেশের আর্থ সামাজিক উন্নয়ন ও জনকল্যাণমূলক কাজে সরাসরি সম্পৃক্ত হতে পারে তার জন্য কল্যাণমূলক কাজ সিএসআর কার্যক্রমের আওতায় ২০১৬ সালে প্রায় ৮.০১ কোটি টাকা প্রদান করেছে।

কৃতজ্ঞতা জ্ঞাপন,

স্ট্যান্ডার্ড ব্যাংকের পক্ষ থেকে আমি আমাদের সম্মানিত গ্রাহক, পৃষ্ঠপোষক 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 সর্বাত্মক 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 শেয়ারহোল্ডারবৃন্দকে 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 অনুসমর্থন প্রদানের জন্য কৃতজ্ঞতা জ্ঞাপন করছি গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের অর্থ মন্ত্রণালয়, ব্যাংক ও আর্থিক প্রতিষ্ঠান বিভাগ, বাংলাদেশ ব্যাংক, বিএসইসি, ডিএসই, সিএসই, জয়েন্ট স্টক কোম্পানি সমূহের রেজিস্টার, সিডিবিএল এবং অন্যান্য সকল নিয়ন্ত্রক কর্তৃপক্ষের প্রতি, যারা এগিয়ে চলার পথে আমাদের সক্রিয় সমর্থন যুগিয়েছেন। আমাদের প্রত্যাশা এসব প্রতিষ্ঠান সমূহ তাদের সহযোগিতা ও সমর্থন ভবিষ্যতেও অব্যাহত রাখবেন।

এই মুহুর্তে আরো একটি সফল বছরের প্রত্যাশায় যাত্রা শুরু করছি। সর্বশক্তিমান আল্লাহ-তায়াল্লা আমাদের এই যাত্রায় সহায় হোন- এ শুভ কামনায় সকলকে ধন্যবাদ।

আব্দুল হাফেজ

কাজী আকরাম উদ্দিন আহমদ
চেয়ারম্যান- পরিচালনা পর্ষদ

MANAGING DIRECTOR & CEO'S ROUND UP



Mamun Ur Rashid
Managing Director & CEO

Dear Stakeholders,

It is indeed a great honor and a pleasure to welcome our honorable chairman, directors, reverend shareholders, distinguished participants and honorable guests on this august occasion at the 18th Annual General Meeting of Standard Bank Limited (SBL). I am truly delighted and feeling proud that for the first time I have got this opportunity to present the Bank's performance to you. Although the Bank had to face many challenges in 2016, the Standard Bank family including the Board of Directors continued their untiring efforts to make the Bank's position more strong. Our endless endeavor is on going with the help of prudent guidance of the Board of Directors, as a result we were able to make 2016 as another year of prosperity and progress. Thus, at this auspicious moment, I enthusiastically take 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 help 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, cooperation and advice in our progress.

Standard Bank Ltd. is one of the most respected banking brands in the country today. It is a matter of pride for me to be able to sit at the helm of affairs of such a bank. I will surely do my best to repay the trust and confidence of all of you. Ever since Standard Bank Ltd. was established, our goal was to contribute to the national economy and at the same time increase shareholders' equity value. We have also tried to be a compliant bank and it was our continuous endeavor to follow all best practices of the industry while doing business with our valued customers, vendors and stakeholders. Standard Bank Limited is always trying for creating wide array of financial services and products to cater to the emerging needs of the market. The Bank focused on attracting new customers and retaining the loyalty of old customers through improved customer services at a very competitive price.

It is of immense pleasure that I have been able to present before you a brief sketch of some of the remarkable successes and distinctive achievements in different fields attained by Standard Bank Limited, over its widespread activities accomplished in the year 2016. 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 and commercial sector and playing an active role in various socio-economic development activities. From the financial point of view, participating in social development activities may not be seen as commercial profitable or income generating, but from the development point of view, its impact on the country's overall development is immeasurable.

The world economy growth engine was slower on the backdrop of a worldwide downturn in output and investment, decline in oil price, money devaluation, volatile market and war in Syria and Middle East's political instability. However, the economy of Bangladesh was able to show its stability, resilience and strength by overcoming all the challenges in 2016. Comparatively better political situation, growth in export and strong currency have brought Bangladesh in this position. The situation could have been better if the investment flow wouldn't be hampered due to infrastructural deadlock. Needless to say, in spite of different compliance issues including suspension of GSP facility by the USA that interrupted RMG export, the GDP growth of Bangladesh stood at 7.11 percent in 2016. Here, oil price decline in the international market brought a blessing for Bangladesh. If the situation continues, investment flow increases and inflation remains at a tolerable level in line with the Bangladesh Bank's recently declared monetary policy, it is expected that the country's GDP will grow from 7.11 percent or exceed in 2017.

The activities of the Bank centered around achieving the targets of selected indicators. For this, invest the excess liquidity into high profit-yielding sectors and more emphasize is given 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. The main 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 3,94,095 accounts with SBL. Besides personal saving opportunity, account holders are enjoying multiple banking facilities.

GLOBAL OUTLOOK AND OUR ECONOMY

Global growth continued to disappoint in 2016 as resulted from continued slowing down of economic activity in emerging and developing economies amid further drops in commodity prices, restrained global trade, stretches of financial market volatility, and weakening capital flows. Global growth again fell short of expectations in 2016, decelerating to 2.4 percent from 2.6 percent in 2015. The disappointing performance mainly reflected a continued growth deceleration in emerging and developing economies amid post-crisis lows in commodity prices, weaker capital flows and subdued global trade. Global growth is projected to edge up in the coming years, but at a slower pace than envisioned in June 2016, reaching 2.9 percent in 2017 and 3.1 percent in 2018-19. This pickup is predicated on continued gains in major high-income countries, a gradual tightening of financing conditions, a stabilization of commodity prices, and a gradual rebalancing in China. The forecast is subject to substantial downside risks, including a disorderly slowdown in major emerging market economies, financial market turmoil arising from sudden shifts in borrowing costs amid deteriorating fundamentals, lingering vulnerabilities in some countries, and heightened geopolitical tensions. Given the size and global economic integration of the largest emerging markets—Brazil, the Russian Federation, India, China, and South Africa (BRICS)—the simultaneous slowdown underway in all but one of them could have significant spillovers to the rest of the world. GDP growth in South Asia rose from 6.8 percent in 2015 to 7.0 percent in 2016, the fastest rate among developing regions, as recovery took place in India, and as the region benefited from lower oil prices and improved resilience to external setbacks. A moderate further acceleration in economic activity is projected, with regional growth rising to 7.3 percent in 2017, supported by strengthening investment and a broadly supportive policy environment. Growth in the region is expected to edge up, reaching 7.5 percent by 2018, driven mainly by domestic demand.

2016 was another year of economic progress for Bangladesh achieving 7.11% real GDP growth surpassing other regional peers. Bangladesh has seen low inflationary environment, high surge in FOREX reserve, relatively stable exchange rate even in global currency market shake ups. Government was less dependent on the banking sector for credit while private sector credit started only slowly picking up. Money market was very vibrant and rate structure has been revised downward several times. Bangladesh Bank (BB) will maintain accommodative monetary policy stance in 2017. The latest MPS for H2 FY17 was a very growth supportive. Policy rates have been reduced by 50 basis points after almost 3 years. Stable political environment coupled with the huge excess

liquidity in the banking system is expected to further reduce banks lending rates and boost lending and investments. During FY16, the total credit to the private sector recorded 13.2% growth Y-o-Y, while in the first 5 months of FY17, the growth was 13.8% Y-o-Y. Business confidence is improving and the stable exchange rate has led to higher import of machineries. We expect the businesses are ready to start take off in another phase of expansion and prosperity taking the advantage of the falling interest rates.

INDUSTRY OUTLOOK AND OUR BUSINESS POSITION

The banking sector has been facing numerous challenges, mostly homegrown, mainly due to falling interest rates, rising NPL and lower private sector credit demand aggravated by weak governance, poor risk management and control measures in respective banks mostly SCBs. Key profitability measures of the industry i.e. Return on Asset (RoA) and Return on Equity (RoE) have been in the declining trend. RoA declined slightly from 0.6% at the end of December 2016 to 0.5% at the end of June 2016 whereas RoE decreased to 6.6% at the end of June 2016 from 8.1% at the end of December 2015. The industry NPL dropped to 9.23% at year-end 2016. Major reasons for the drop are: writing off a large chunk of bad loans and restructuring of a good number of loans. Despite loan restructuring, rescheduling the amount of Non-Performing Loans (NPLs) of the country increased by 21% and stood at Tk. 621.72 billion as of December 31, 2016 from Tk. 513.71 billion as of December 31, 2015. Besides, the strong recovery drive by the bank played a positive role in recovering classified loans in 2016. At the backdrop of overall political and macroeconomic stability inflow of Foreign Direct Investment (FDI) registered USD 1,830 million during the year which was 18% higher than 2015 (USD 1,550 million). According to finance division data, as of July 22, 2016 total Government borrowing from the country's banking sector was Tk. 2,797.3 billion and the payment was Tk. 2,088 billion. The Cash Reserve Ratio (CRR) for scheduled banks remained unchanged at 6.50% of their total demand and time liabilities. Bangladesh Bank also kept unchanged the bank rate, policy rates at 5%, 7.25% (Repo) and 5.25% (Reverse Repo) respectively. Such consistency helped the country to sustain macroeconomic stability and attain conducting business environment. But, owing to sluggish investment scenario the overall liquidity in the money market increased excessively. Declining demand for borrowing from the banking sector last year only helped pile up liquid assets. This resulted in insignificant returns and further erosion of asset quality. The stable money market led us to shifting resources from placement to short term HFT securities. Though the demand for credit was slow throughout the year but we have progressed cautiously and managed our risk profiles carefully. An alarming country NPL ratio of 9.23% as on year-end 2016. But I am happy to share with you that despite a difficult time, the overall performance of Standard Bank Ltd. was steady. We kept our NPL below 5.00 percent, 3.64% to be exact, mainly for our prudent asset quality management policy, rigorous monitoring in our credit management and ethical business practice with strong corporate governance.

At Standard Bank Ltd., we believe in sustainable growth instead of rapid progression that cannot be sustained over a longer period. In the year 2016 Banking sector pose a serious concern for stakeholders with only industry credit growth 11.70% compared to 15.47% in 2015. Whereas our loans and advances growth was

14.58% which is higher than that of industry average. We focused on maintaining our asset quality rather than the rapid growth of our portfolio. Industry Deposit growth 12.78% in 2016. Whereas our Deposits of banking operation was Tk. 12255.40 crore having 14.55% growth and as a result credit deposit ratio stood at 86% compared to 85.56% in 2015. Import of the Bank was Taka 5568.40 crore. Export was Taka 3850.60 crore and inward remittance was Taka 576.40 crore. In terms of budgetary achievement, Bank performed quite well even in the difficult time as mentioned above; deposit 96%, loans and advances 84%, operating profit 78%, import 87%, export 79% and inward remittance 38%. By setting proper strategy we could lower cost of deposit to 6.32% in 2016 from 7.69% in 2015 that helped the Banking generating spread at 4.24% which was 4.59% in previous year. Our non-interest income decreased by 10% while Net Interest Income (Nil) increased by 20% due to higher credit growth 14.58% as opposed to deposit growth of 14.55% as well as minimize the borrowing cost. A significant portion of this growth was offset by marginal growth of fees, commission & FX income due to stable FX market and lesser recovery from written off loans which eventually led to 2% negative operating profit growth. Besides this the total provision of Tk. 99.94 crore was maintained in 2016 as compare to 64.54 crore in 2015 which was significantly increased by 55%. All these contributed to a negative growth of Profit After Tax (PAT) by 32% in 2016.

CONTRIBUTION TOWARDS THE SOCIETY

As a responsible corporate citizen, we are committed to creating value for the society. For us development should be holistic and inclusive. Standard Bank Ltd. is always aware of its Corporate Social Responsibility (CSR) with an aim to ensure the bank as a socially responsible corporate entity contributing towards quality of life of the society at large without compromising our ecological balance. Since its inception, SBL has a pleasant involvement and proactive participation in benevolent activities like stand beside the marooned people during any natural or manmade disasters. To us success not only equals economic profit, it also means commitment to values - honesty, integrity, excellence, trust and dedication. At SBL, we are guided by the spirit of corporate social responsibility. Forging lasting relationships with the customers based on mutual trust has always been one of our topmost priorities. In line with the guidance of Bangladesh bank, SBL focused on CSR by involving in different nation building activities apart from usual banking operations. During the year, Standard Bank Ltd. spent an amount of Tk. 80.07 million covering a vast area of education, health and other under privileged sectors for overall betterment of the nation. We continued our financial assistance to meritorious but poor students particularly in rural areas under CSR initiative.

OUR OUTLOOK

Year 2016 was undoubtedly a challenging year for Bangladesh economy and 2017 will, no doubt offer its share of new challenges even with our excellent track record of over seventeen years of ethical and prudent banking. We want to emerge as one of the most trusted partners of progress to trade and business of the country. As we look forward, we are committed to build a shared prosperity for our society to continue to meet the needs of future generation. The global economy remains volatile and the global banking industry has entered into a new era, experiencing rapid

change in terms of market dynamics. Customers are increasingly service-focused and at the same time, more demanding. New players, especially new banks, have entered into banking sector and the level of competition has significantly intensified. Our ongoing success lies in our own hands and in the willingness and capacity of every single person in our bank to make change happen. The faster we manage to respond to this change environment, the more room we have to maneuver. I am convinced that together with support of our colleagues and other stakeholders we will take the lead and become the performance driven organization in banking industry, and I count on our determination to achieve this too. Our industry has changed and is more competitive than ever before. At the same time we are facing the great macroeconomic challenges of unfavorable lending rates and turbulent financial markets. It is therefore, even more important that we position our bank to be successful in this landscape. We must find new and smart ways to convey a compelling value proposition to our customers who are becoming more and more demanding. We need to ensure that we deliver on our promises. At the same time we have to be highly flexible and adaptable in order to respond to volatile market demands. The more successful we are in integrating this approach into how we do things at SBL, the better positioned we will be to continue advancing in our growth and future prospects. I believe our combined effort is making a difference. Once again I should say that the Bank is growing and our results are also visible compared to the size of the bank. We are committed to make our bank into a modern and dynamic institution with corporate governance. We want to remain compliant, fair and transparent in our business deals. Our Bank would concentrate on sharpening its competitive edge by improving its business strategies and by protecting its credibility through performing the promises.

STRATEGIC PRIORITIES FOR 2017

2017 will be a challenging year yet our firm commitment towards excellence with outstanding operational efficiency will make the bank stronger, set examples for others to follow and create positive differences. Sustainable business growth, dynamic and talented human capital driven by values, excellent risk management, and involvement of mid level management in decision-making process will surely command some key strengths for Standard Bank. We believe that, as long as we adhere to the right development strategy, take pro-active actions and forge ahead, 2017 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. Financial inclusion of customers' in the unbanked areas with geographical dispersal of branch network.
2. Prudent Asset Liability Management by maintaining good credit portfolio through diversification of business with focus on SME, Agent Banking, Retail and Agricultural financing by achieving a favorable deposit mix with sound liquidity management.
3. To achieve long term sustainable growth. In line with that we will pursue strategy through proper management of Balance Sheet and maintenance of liquidity and long term solvency.
4. Achieving service excellence in delivering customer.
5. Effective Risk Management Practices through appropriately

blending the risk reward parameters and targeting a growth driven credit portfolio expediting corporate credit rating and maintaining strong capital base to play safe and sound.

6. In case of financing, we will give emphasis on "good risk" at low rate, "marginal risk" at high security and exit "high risk".
7. Efficient Internal Control and Regulatory Compliance System to continue to be a fully compliant Bank.
8. Efficient Human Resource Base through attracting high quality people and providing with continuous training to next generation management.
9. Effective IT Framework and System through up gradation of bank modules and strengthening of IT infrastructure with network and cyber security.
10. Monitor and strengthen recovery drive to bring down the NPL and maintain asset quality at standard level.
11. Strengthening Agent Banking operation to provide financial service for nonbank people.
12. Strengthening of Merchant POS services with National Payment Switch and E-Commerce through Mobile Application.
13. Basel-III compliance with raising and managing capital adequacy from 10% to 12.50%.

OUR GRATITUDE

I express our affiliation and extend 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 Limited for their uncompromising loyalty, relentless hard work and dynamic team spirit to take the bank forward. At the same time, I also congratulate them on achieving yet another impressive performance in our business success. Above all, I convey my sincere thanks and heartfelt gratitude to our regulatory authorities specially Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR), Dhaka Stock Exchange, Chittagong Stock Exchange, RJSC as well as external auditors for their continued support and cooperation in running our business activities for the development of the Bank.

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

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



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 SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, 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 4175 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 5% stock and 5% cash dividend equivalent to BDT 754.10 million for the completed year 2016.

Any event after balance sheet date which may affect company's financial condition: The Board of Directors of the Bank in its 270th Board meeting held on 22.03.2017 has recommended 5% stock and 5% cash dividend for the year 2016 of Tk. 754,101,902 which will increase the paid-up capital of the bank to Tk. 7,918,069,971.

Any change in bank's activities, subsidiaries' activities etc.: No major change in strategy and actions in the Bank and Subsidiaries experienced in 2016.

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

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

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

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

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

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

Basis for related party transactions and a statement of all related party transactions: The basis for related party transactions has been stated in the "Corporate Governance Report" and a statement of related party transactions has been presented in the Financial Statements 2016.

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 2016.

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. Operating Income slightly decreased from last year.

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

Declaration of dividend or not: Recommended 5% stock and 5% cash dividend for the year 2016.

No. of Board meetings and directors' attendance in 2016: Presented in the Directors' Report.

The pattern of shareholdings: Presented in the Directors' Report and the Notes to the Financial Statements 2016.

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 2016.

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

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2016 together with the Directors' Report and the Financial Statements have been prepared in compliance with applicable governing Acts, rules, regulations, guidelines and laws of various regulatory bodies including Bangladesh Bank and BSEC.

DIRECTORS' REPORT

Respected Shareholders

Assalamu Alaikum

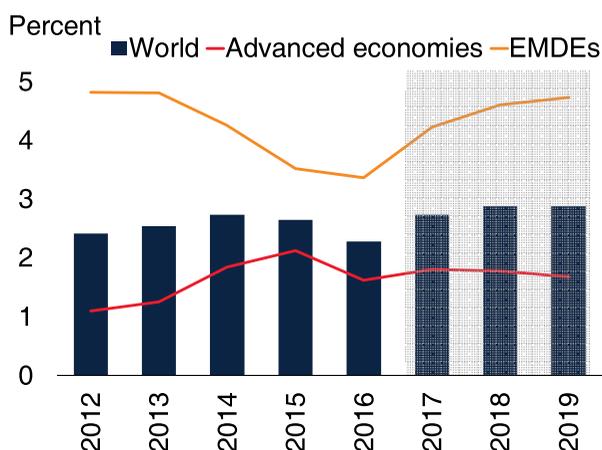
It is an immense pleasure and privilege on the part of the Board of Directors to place the Directors' Report and Auditors' Report together with the audited financial statements of Standard Bank Limited for the year ended 31 December 2015 for your valued consideration, adoption and approval.

The Directors Report has been prepared in compliance with the Section 184 of the Companies Act 1994, BSEC's Notification n o. SEC/CMRRCD/2006-158/134/Admin/44, dated August 07,2012, the Listing regulations of Dhaka and Chittagong Stock Exchanges, guidelines of Bangladesh Bank and other applicable rules and regulations. Relevant disclosures and explanations relating to certain issues have been given by the Directors which they consider important to ensure transparency and good governance practices. The Directors believe that the report will give valuable insights of the bank's performance and continuous growth through amid stiff competition.

Global Economy

Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world

A. Global growth



economy. A moderate recovery is expected for 2017, with receding obstacles to activity in commodity exporters and solid domestic demand in commodity importers. Weak investment is weighing on medium-term prospects across many emerging markets and developing economies (EMDEs). Although fiscal stimulus in major economies, if implemented, may boost global growth above expectations, risks to growth forecasts remain tilted to the downside. Important downside risks stem from heightened policy uncertainty in major economies.

Global Outlook

Subdued Growth, Shifting Policies, Heightened Uncertainty. Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. Global growth in 2016 is estimated at a post-crisis low of 2.3 percent and is projected to rise to 2.7 percent in 2017. Growth in emerging market and developing economies (EMDEs) is expected to pick up in 2017, reflecting receding obstacles to activity in commodity exporters and continued solid domestic demand in commodity importers. Weak investment and productivity growth are, however, weighing on medium-term prospects across many EMDEs. Downside risks to global growth include increasing policy uncertainty in major advanced economies and some EMDEs; Financial market disruptions; and weakening potential growth. However, fiscal stimulus and other growth enhancing policies in key major economies-in particular, the United States-could lead to stronger-than-expected activity and thus represent a substantial upside risk to the outlook. In view of limited room for macroeconomic policy to absorb further adverse shocks, as well as subdued growth prospects, structural reforms that boost potential growth remain a priority. In EMDEs, investment in human and physical capital would help narrow unmet needs in skills and infrastructure and support growth for the long term. Rebuilding policy space, addressing vulnerabilities, and enhancing international integration by promoting trade and foreign direct investment would also boost resilience and improve growth prospects.

Table: Overview of the World Economic Outlook

GDP at constant prices	Percentage Change					Difference from October 2016 WEO Projection	
	Actuals		Estimate	Projections		2017	2018
	2014	2015	2016	2017	2018		
World	3.43	.2	3.13	.4	3.60	.0	0.0
Advanced Economies	1.9	2.1	1.6	1.9	2.0	0.1	0.2
USA	2.4	2.6	1.6	2.3	2.5	0.1	0.4
Euro Area	1.1	2.0	1.7	1.6	1.6	0.1	0.0
Other Advanced Economies	2.8	2.0	1.9	2.2	2.4	-0.1	0.0
Emerging Market and Developing Economies	4.6	4.1	4.1	4.5	4.8	-0.1	0.0
China	7.3	6.9	6.9	6.5	6.0	0.3	0.0
India	7.2	7.6	6.6	7.2	7.7	-0.40	.0

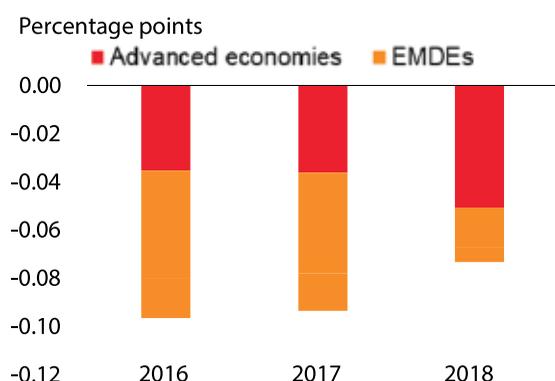
Source: World Economic Outlook Update (January, 2017), International Monetary Fund

Regional Perspectives.EMDE

regions with substantial numbers of commodity-importing economies-East Asia and the Pacific and South Asia-are projected to experience solid growth. In contrast, the outlook for EMDE regions with large numbers of commodity exporters is mixed. Growth in Latin America and the Caribbean and in Eu-

rope and Central Asia is expected to accelerate in 2017, mainly reflecting a bottoming out of activity in Brazil and Russia.

Contribution to global growth revisions



Growth in the Middle East and North Africa will pick up modestly, as oil prices recover. While growth should also rebound in Sub-Saharan Africa, the improvement is notably weaker than previously expected, as some commodity exporters struggle to adjust to low commodity prices.

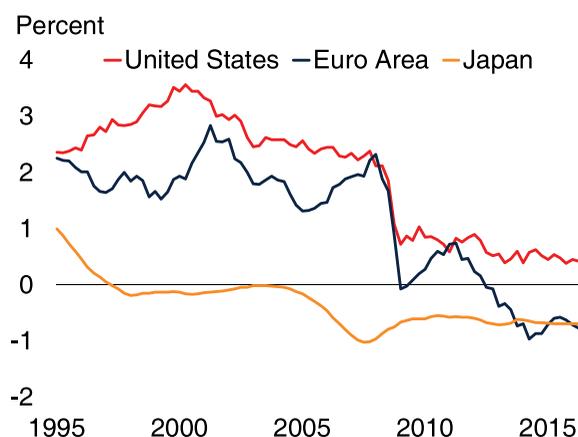
Thematic pieces: Role of the U.S. Economy in the World; Weak Investment in EMDEs.

This edition of Global Economic Prospects includes a special focus on the role of the U.S. economy in the world and a chapter on the causes, consequences and policy implications of recent investment weakness in EMDEs.

The U.S. Economy and the World.

Developments in the U.S. economy, the world's largest, have effects far beyond its shores. A surge in U.S. growth—whether due to expansionary fiscal policies or other reasons—could provide a significant boost to the global economy. Tightening U.S. financial conditions—whether due to faster-than-expected normalization of U.S. monetary policy or other reasons—could reverberate across global financial markets, with adverse

Real equilibrium interest rates



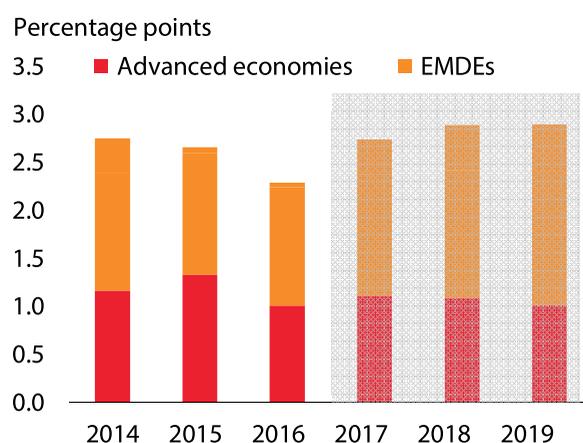
effects on some EMDEs that rely heavily on external financing. In addition, lingering uncertainty about the course of U.S. eco-

nomics policy could have a significantly negative effect on global growth prospects. While the United States plays a critical role in the world economy, activity in the rest of the world is also important for the United States. The new U.S. administration's specific economic policies are still being shaped. By assessing the U.S. economy's role in the world, the objective of this Special Focus is to inform the analysis of potential global implications of such policies.

Weak Investment in Uncertain Times: Causes, Implications and Policy Responses.

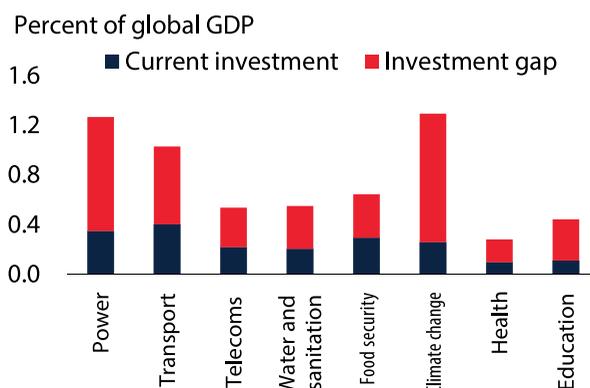
Investment growth in EMDEs has slowed sharply since 2010. This deceleration has been most pronounced in the largest emerging markets and commodity exporting EMDEs, but has now spread to the majority of these economies: investment growth is below its long-term average in the most EMDEs over the past quarter century except during serious global downturns. These economies account for more than one-third of global GDP and about three-quarters of the world's population

Contribution to global growth



and the world's poor. While slowing investment growth is partly a correction from high pre-crisis growth rates in some EMDEs, it also reflects a range of obstacles holding back investment: terms-of-trade shocks (for oil exporters), slowing foreign direct investment inflows (for commodity importers), as well as private debt burdens and political risk (for all EMDEs). Weak investment is a significant challenge for EMDEs in light of their

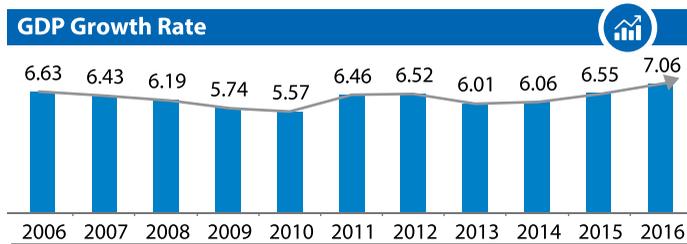
SDG-related investment needs



sizable investment needs to make room for expanding economic activity, to accommodate rapid urbanization, and to achieve sustainable development goals. Sluggish investment also sets back future growth prospects by slowing the accumulation of capital and productivity growth. Although policy priorities depend on country circumstances, including the availability of policy space and economic slack, policymakers should be ready to employ the full range of cyclical and structural policies to accelerate investment growth.

Bangladesh Economy

Bangladesh has maintained an impressive track record on growth and development. Economy of Bangladesh has been able to triumph over a sustainable growth sequence. After a decade long continuous GDP growth of 6 percent rate, Bangladesh has crossed the mark of long cherished 7 percent growth for



Source: BBS

the first time in 2016. Growth rate of GDP in FY 2015-16 is 7.05 percent which was much higher than that of 6.06 percent and 6.55 percent respectively in FY 2013-14 and FY 2014-15. Per capita national income increased by USD 150 in FY 2015-16 from previous fiscal year and stood at USD 1,466. In FY 2015-16, per capita GDP has increased to USD 1,384 from USD 1,236 in FY 2014-15.

Macroeconomic Scenario Economic Growth

The steady growth rate in FY 2015-16 has been possible due to satisfactory growth in industrial and service sector. Among the constituent sectors of GDP, industry and service sectors achieved a robust growth rate of 10.10 percent and 6.70 percent respectively in FY 2015-16 as compared to growth rates of 9.67 percent and 5.80 percent respectively in FY 2014-15. The agricultural sector grew by 2.60 percent in FY 2015-16 as against 3.33 percent in the previous fiscal year. The manufacturing sector is likely to register a growth rate of 10.30 percent in FY 2015-16 which is almost the same of 10.31 percent in FY 2014-15. According to provisional estimate, the contribution of agriculture, industry and service sectors stood 15.33 percent, 31.28 percent and 53.39 percent respectively in FY 2015-16. In the previous fiscal year, contributions of these three sectors in the GDP were 16 percent, 30.42 percent and 53.58 percent respectively indicating that the pattern remained roughly the same.

Savings and Investment

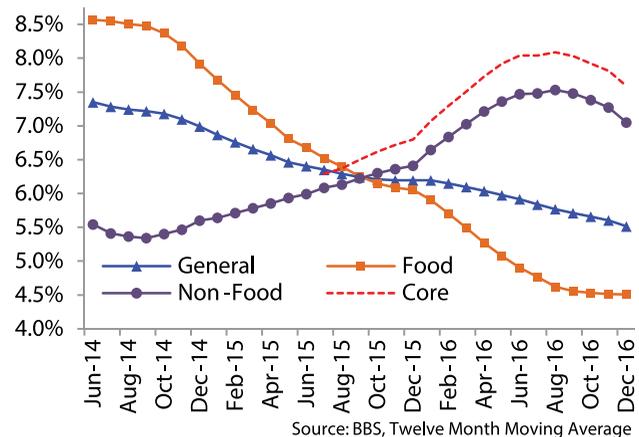
In the FY 2015-16, the domestic savings and national savings in percentage have increased compared to GDP. According to provisional statement, domestic savings and national savings have been estimated at 23.89 percent & 30.31 percent of GDP for the FY 2015-16, respectively, which were 22.16 percent & 29.02 percent respectively in the previous fiscal year. In FY

2015-16, investment in the private sector went up by 12.64 percent. Total investment, including investment in the government sector stood at 29.38 percent of the GDP in FY 2015-16, which was 28.89 percent in FY 2014-15.

Inflation

CPI inflation has been steadily coming down to 5.03 percent (point-to-point) in December 2016, pulling down annual average to 5.5 percent, benefitting from both favorable food and nonfood inflation

Inflation Movements



Source: BBS, Twelve Month Moving Average

dynamics. Non-food inflation has eased to 4.5 percent (point-to-point) in December, down from 7.1 percent a year ago, reflecting favorable domestic production and global commodity prices. Average core inflation (non-food, non-fuel), a traditional measure of underlying long-term inflation, has also nosed down but remains elevated at around 7.6 percent in December, indicating inflation can pick up if buffeted by adverse shocks.

Fiscal Situation Revenue Collection

The target of revenue collection (revised) was fixed at Tk.1,77,400crore during FY 2015-16 which was 10.26 percent of GDP. Out of this, NBR Tax revenue was Tk.1,50,000crore (8.67 percent of GDP) while Non-NBR tax revenue was Tk.5,400crore (0.31 percent of GDP). At the same time non-tax revenue was Tk. 22,000 crore (1.27 percent of GDP). According to iBAS data, provisionally overall total revenue collection in the first ten months of FY 2015-16 (July, 2015 to April, 2016) amounted to Tk.1,32,422crore, constituting 63.50 percent of the target but exceeding the revenue collection in the same period of last year by 16.00 percent. Out of this, NBR tax revenue is Tk. 91,311 crore and Non-NBR Tax Revenue is Tk. 12,919 crore which are 16.10 percent & 9.28 percent higher respectively compared to those of previous fiscal year.

Government Expenditure

According to the revised budget, the total Govt. expenditure was estimated at Tk. 2,64,564crore in FY 2015-16 which accounting for 15.30 percent of GDP. Of this, the Annual Development Programme expenditure and Non-Development Budget expenditure were Tk. 91,000 Crore (5.26 percent of GDP) and Tk. 1,73,564 Crore (10.04 percent of GDP) respectively. According to the provisional estimate the total expenditure stood at Tk. 1,35,289 crore up to April, 2016 of which non-development expenditure including non-development capital expenditure

and development programs was Tk. 1,03,749 crore. At the same time Annual Development Expenditure was Tk. 31,540 crore.

Budget Deficit and Financing

In the revised budget of the FY 2015-16, the total budget deficit was estimated at Tk. 87,165 crore (5.04 percent of GDP). To meet this budget deficit an amount of Tk. 24,990 Crore (1.44 percent of GDP) would be collected from external sources and Tk. 62,175 crore would be collected from domestic resources (3.59 percent of GDP). In case of financing of deficit from domestic sources, it was planned to mobilize Tk. 31,675.00 crores from the banking system and Tk. 30,500.00 crores from non-banking sources.

Monetary Policy

Bangladesh has adopted a cautious monetary policy which is conducive to attaining higher economic growth but containing inflation within an appropriate level. Though the growth of the Reserve money and Broad Money (M2) increased slightly but the growth of the Narrow Money (M1) increased substantially during FY 2015-16. The growth of the Narrow Money was 16.14 percent at the end of FY 2015-16, whereas this growth was 10.00 percent in the previous year. The growth of Broad Money and the Reserve money in the same period stood at 13.11 percent & 15.51 percent respectively which were 12.80 percent & 15.29 percent respectively in the last fiscal year.

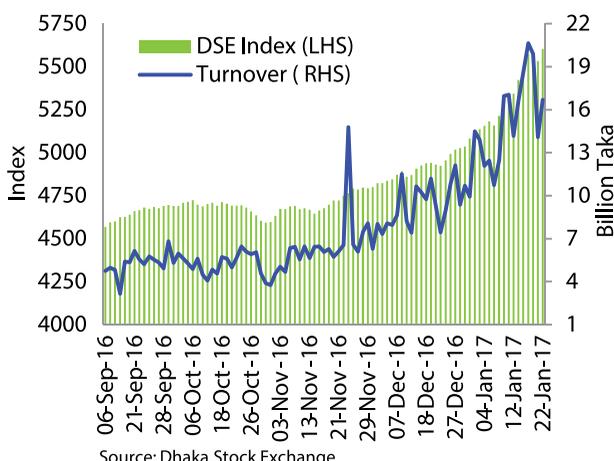
Interest Rate

At the end of June 2015 the weighted average rate of interest on loans and the weighted average rate of interest on deposit were 11.67 percent and 6.80 percent respectively which further declined to 10.39 percent and 5.54 percent respectively at the end of June, 2016. The spread of interest rate has slightly decreased to 4.85 percent points at the end of June, 2016 from 4.87 percent points at the end of June, 2015. Bangladesh Bank has continued to give directives to commercial banks to rationalize interest rate by creating an atmosphere of competition.

Capital Market

Though stock price index in the capital market declined a Tk. 3, 24,731 crore at the end of 30 June 2015, registering 1.90 per

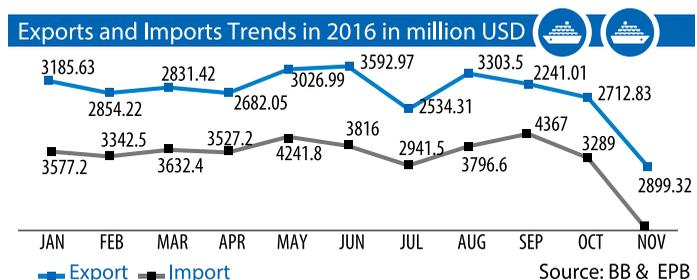
DSE Index and Turnover



cent fall. The market capitalization of CSE stood at Tk. 2,49,685 crore at the end of June, 2016 compared to Tk. 2,58,808 crore at the end of June 2015. The broad index of DSE, DSEX index dropped 1.65 percent to 4507.58 points at the end of June, 2016 from 4583.11 points as that of June, 2015. At the end of June, 2016 the number of listed securities in DSE stood at 559 as compared to 555 in June, 2015. At the end of June, 2016 the number of listed securities in Chittagong Stock Exchange stood at 298 as against 292 in June, 2015.

Export

According to Bangladesh Economic Survey-2016, in the first ten months of the FY 2015-16 total export income stood at USD 27,637.22 million which was 9.22 percent higher than that of the previous year. During this period, the growth rate of two major products i.e. readymade garments and knitwear were 12.71 percent & 7.29 percent respectively. Among other products petroleum by-product (328.51%), pharmaceuticals (15.33%) and leather products (62.09%), registered notable growth in export. On the other hand, frozen food (10.82%), leather (32.19%) and jute products (18.11%) showed declining trend in case of export receipt. In FY 2015-16 (July-March) among the export products the highest 18.41 percent products were exported to the United States, followed by euro zone country, Germany (14.64 percent).



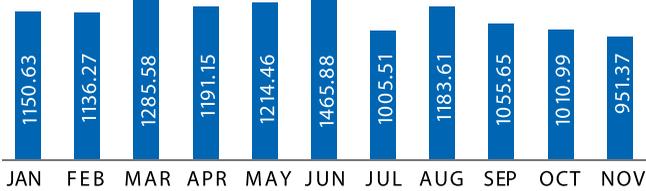
Import

According to provisional estimate in the FY 2015-16 the total import payment stood at USD43,167.50 million. As per Bangladesh economic survey-2016 commodity wise import statistics reveals that in the July, 2015-March, 2016 period import of food grains (rice and wheat) declined by 25.71 percent but import of consumer goods rose by 13.36 percent, compared to same period of last year. In terms of opening of letter of credit, import of capital products went up by 13.89 percent which included growth of import of capital machineries by 2.03 percent in the period under review. This trend was a manifestation of improvement in investment climate.

Overseas Employment and Remittances

According to Bangladesh Economic survey, 2016, during the first ten months of the FY 2015-16 around 5,62,000 Bangladeshi workers left for foreign employment which was 51.25 percent higher than that during the same period of previous year. During July, 2015 to May, 2016 the flow of remittances stood at USD 13.45 billion which was 3.05 percent lower than that in the previous fiscal year. The main reasons for the modest drop in remittance in the period under consideration were the adverse geo-political situation in the middle-east and unfavorable impact of fall in fuel oil price on oil exporting economies. However, efforts to

Remittance:2016 (in million USD)



Source: BB

locate new manpower export destination including diplomatic measures have led to increase in the number of manpower exports to some middle-east countries.

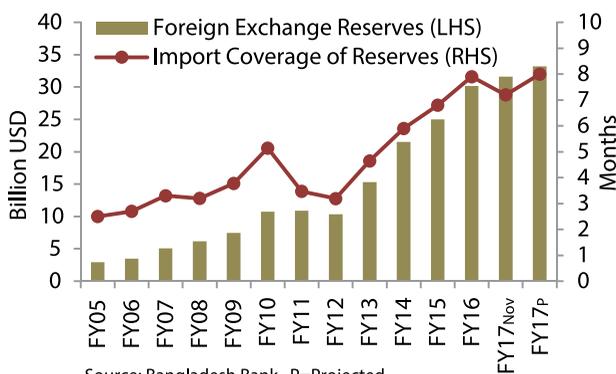
Balance of Payments

According to Bangladesh Economic survey, 2016, in the FY 2015-16 (July-March) the trade deficit stood at USD 4.64 billion which was USD 4.67 billion in the same period of last year. During this period, the deficit in service & primary income stood at USD 1.91 billion & USD 1.89 billion respectively. The surplus in the current account stood at USD 2.93 billion whereas it was USD 2.43 billion at the same time of the previous year. Foreign direct investment went up by 21.54 percent in the period. In addition surplus of USD117 billion occurred in capital and financial sector as a result of investment increase in other investment sector. The total balance of transaction recorded a surplus of USD 3.53 billion.

Foreign Currency Reserve

Overall surplus in foreign transaction recently has helped in

Forex Reserve and Import Coverage



Source: Bangladesh Bank, P=Projected

continuous surge in foreign exchange reserve. Foreign exchange reserve increased to USD 30,000 million at the end of June, 2016 from USD 25,000 million on 30 June, 2015.

Exchange Rate

At the end of July, 2015 the weighted average value of Taka against 1.00 USD was Tk. 77.80 which stood at Tk. 78.40 against per USD at the end of June, 2016. During FY 2015-16 the exchange rate of Taka depreciated by 0.77% against US Dollar.

Medium-Term Prospect

In the Medium-Term Macroeconomic Framework (MTMF) 2017-19, the growth of GDP has been estimated at 7.2 percent

in 2016-17, which is projected to gradually increase to 7.4 percent & 7.6 percent respectively in 2017-18 & 2018-19. It is expected that the total investment will increase from 29.4 percent in 2015-16 to 30.10 percent of GDP in 2016-17 and gradually increase to 31.80 percent & 32.70 percent of GDP in 2017-18 & 2018-19 respectively. Besides, the estimated revenue collection is set at 12.4 percent of GDP in the fiscal year 2016-17 and is expected to increase to 12.7 percent & 13.1 percent of GDP in next two years in MTMF. On the other hand, it is also projected that the inflation rate will decrease to 5.8 percent & subsequently to 5.6 percent in 2016-17 & 2017-18 respectively.

Attainment of the GDP growth level of 7.00 Percent for the first time clearly shows that Bangladesh is now in an epoch of development. Moreover massive infrastructural developments all over the country demonstrate the sign of a thriving economy. Government has taken various steps to achieve targets of SDG and status of developing nation in due time. Prudent economic management, effective cost management, effective implementation of monetary policies and various reform activities will help to achieve the expected level of macroeconomic and social indicators which will provide sound economic base for further growth acceleration and economic welfare.

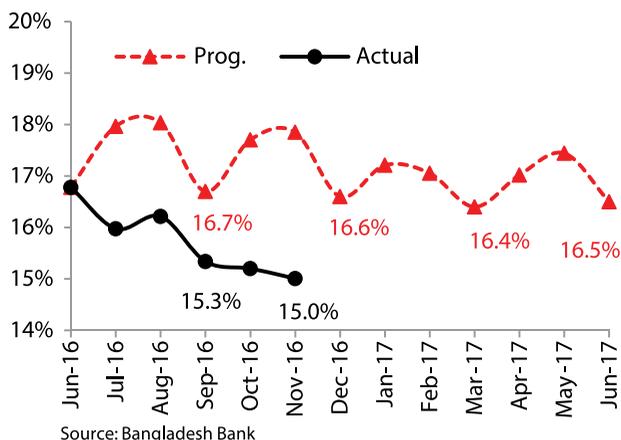
Banking Industry Outlook-2016

The world financial system became susceptible to escalate vulnerability and instability in the recent past. Yet the banking sector of Bangladesh underwent a moderate level of resilience in FY16. Banking sector in Bangladesh has travelled through a journey where the sector has experienced several ups and downs. Presently, there are 56 scheduled banks in Bangladesh which are fully under the supervision of Bangladesh Bank of which 4 State Owned Commercial Banks, 4 Specialized Banks, 31 Conventional Private Commercial Banks, 8 Islami Shariah based Private commercial banks and 9 Foreign Commercial Banks. Like the previous year, the banking industry of Bangladesh experienced competition amongst the private and public banks. This sector has come across a turbulent year facing many odds and pitfalls in the macroeconomic fundamentals. The major challenges faced by the banking industry were low credit growth, increasing trend of non-performing loans resulting to higher provisioning requirements, and surplus liquidity. The cumulative effects of these put pressure on the profitability of the banking sector as a whole. To tide over the situation banks have continued to pursue of strategy by mobilizing low cost deposit through campaigning, ensuring quick disposal of credit proposals, showing visible movements in retail financing and SME financing, ensuring more recovery from written-off loans, bringing loss making branches to profit making by reshuffling and continuing to expand network physically and virtually.

Country's banking sector showed slight growth owing to lowering of lending rates and sluggish business environment in 2016. The asset quality of banks improved to some extent during the period under review while the capital-to risk-weighted asset ratio (CRAR) recorded a minimum fall. Public sector registered negative growth of 1.30% because of slow implementa-

tion of government projects due to political unrest and private sector actual credit growth was 15 % in 2016. As a result, there

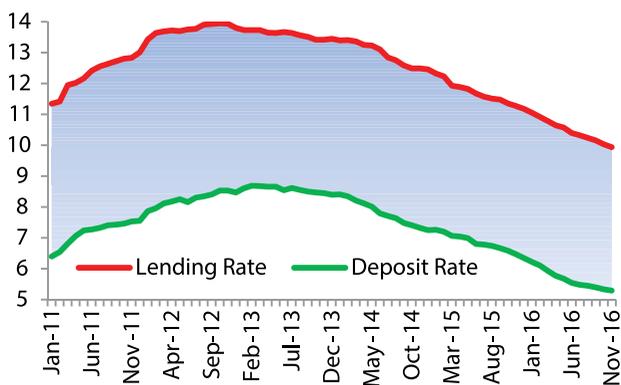
Private Sector Credit Growth



Source: Bangladesh Bank

is excess liquidity in the banking business reached 1220.75 billion over the year 2016. Relatively lower payment for imports, government mobilized resources from other sources; political instability and liberalized policy for borrowing from foreign sources are the main reasons of this. The call money rate is remaining 3.65% for the year around. The call money rate was 3.62% at the end of the year 2016 which is the sign of adequate liquidity, stable money market and good governance in banking sector. Sluggish demand for credit and the opportunity of foreign currency loans by local companies have contributed to

Interest Rate Spread



Source: Bangladesh Bank

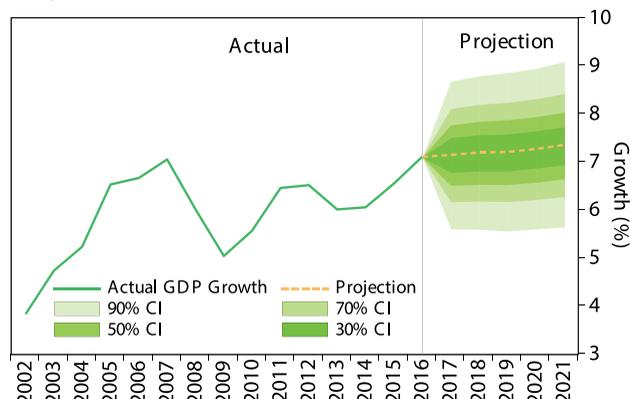
this down trend. In spite of various difficulties, it has been possible to keep the NPL rate in single digit at 9.23%. With a view to maintaining a sound, efficient and stable financial system, Bangladesh Bank (BB) has initiated a number of policy measures giving augmented emphasis on (i) risk management and corporate governance in the banks, (ii) periodic review of stability of the individual bank as well as the whole banking system, (iii) exercise of stress testing, (iv) inclusion of underserved productive economic sectors and population segments in financial system, (v) monitoring of fraud-forgeries and strengthening internal control and (vi) compliance through self assessment of antifraud internal controls, etc. Monitoring of

investment in stock market by the scheduled banks has been stringent. Risk Management Committee at the board level has been made mandatory to ensure proper risk management practice in the banks. Presently, the banks are being rated for their overall risk management performance. Focus has also been given on Corporate Social Responsibility (CSR) and green banking activities and a distinguished department has been working to monitor the initiatives being undertaken by banks. BB is shifting from a compliance-based approach to a forward-looking risk-based approach in regulation and supervision. Basel-III, the revised regulatory capital framework, has been implemented to improve the resilience of individual banking institutions during the periods of stress, while addressing system wide risks that arise across the banking sector. Two new tools namely the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) have been introduced for measuring liquidity under Basel-III to ensure stronger and more targeted liquidity management of banks. A Basel-III Compliance Unit has been established by each bank as per instruction of Bangladesh Bank.

Banking Sector Projection 2017

Unlike the global economy, the economy of Bangladesh has been achieving an amazing growth in the current fiscal year. And the future looks even brighter. Investments are likely to gear up in 2017 as the fiscal and monetary authorities are coordinating in the areas of inflation, interest rates, exchange rates and revenue collection and Annual Development Programme (ADP) implementation. The government seems committed to augmenting the availability of infrastructure and energy. Given the experiences of 2016, political turbulence does not appear to flare up to destabilize the whole gamut of economic decisions in 2017. Bangladesh's projected growth for 2017 will be almost double of the World's and higher than China's. A recent World Bank study shows that one percentage point increase in India's growth contributes to an increase in Bangladesh's growth by 0.4 percentage points. Hence, the highest growth at 7.5 percent of India in the region will be beneficial for Bangladesh's investment and growth through the channels of trade and services.

Projection of GDP Growth for FY2017 - FY2021

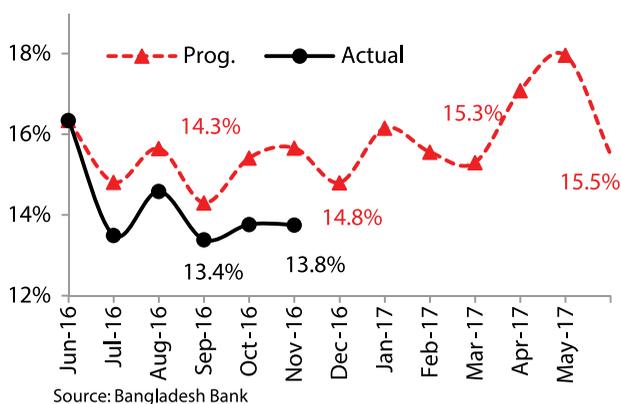


Source: Bangladesh Bank staff projection

Based on the Monetary Policy Statement of Bangladesh Bank for the period between January-June 2017, the following highlights may be noted:

- Broad money (M2) grew by 13.8 percent in November 2016, remaining within the FY17 ceiling of 15.5 percent to support the GDP growth target of 7.2 percent and the inflation ceiling of 5.8 percent, respectively. In the first half of this fiscal year, private sector credit growth exceeded 15 percent, a three-year high but within the FY17 ceiling of 16.5 percent.

Broad Money (M2) Growth



- Both food and non-food CPI inflation moderated, aided by favorable agricultural production, modest rise in global commodity prices, and growth supportive yet cautious monetary policy stance. Average CPI inflation declined to 5.5 percent by December 2016, a five-year low and well within the FY17 ceiling. Bangladesh Bank (BB) projects annual average inflation to be around 5.3-5.6 percent in FY17. Projected rise of global commodity prices in 2017, however, may continue exerting some upward pressure on domestic prices.
- Domestic demand-driven economic activity remains relatively buoyant, as indicated by credit growth, industrial activity, and import trends. Despite some moderation, garment exports growth has held up well relative to peers. The recent decline in remittance reflects a combination of global and local factors, but mainly driven by weaker economic activity in the Middle East. Recovery in remittance growth can be expected over the near to medium term from oil price stabilization boosting Middle Eastern economies, as also from the recent upsurge in manpower exports from Bangladesh. Based on the recent economic indicators and econometric analysis, BB projects GDP growth to be above 7 percent in FY17.
- Balancing the upside potential and the risks, BB maintains the current policy stance: repo and reverse repo rates will remain unchanged at 6.75 and 4.75 percent, respectively, to support growth while mitigating inflation risks. Broad money and private sector credit growth targets for FY17 are 15.5 and 16.5 percent, respectively.
- Given the pickup in credit growth, BB's supervisory

vigilance on lending efficiency and risk management in the financial sector will continue to be strengthened, with particular emphasis on transparent, accountable corporate governance, and substantial reduction in loan defaults.

- While the recent capital market buoyancy may reflect a recovery from its prior depressed state since 2011, caution is warranted in ensuring that exuberance remains rational. Bangladesh Securities and Exchange Commission (BSEC) has already taken welcome steps with cautionary messages, financial literacy promotion, and so forth. Some restrictions on margin loans against sponsors shares and shares with abnormally high price earning (PE) ratios may also be desirable. BB is also responding with intensive monitoring about banks abiding by statutory limits on their capital market exposures. BB may also direct banks to prevent diversion of business and consumer loans into stock markets and remains ready to take prompt policy actions.
- In line with the government's SDG priorities of an inclusive, environmentally sustainable growth, BB is for quite some years now promoting inclusive, green financing (targeting SME, agriculture and green initiatives), fostering financial sector wide a socially responsible financing ethos. BB has now taken up a consultative initiative of formulating Guidance Notes on the do's and don'ts of socially responsible financing to better foster social cohesion, with output initiatives that promote entrepreneurship, create more and better jobs, and protect environment.
- Bangladesh Bank made a strategic shift in loan disbursement policy. All banks will be encouraged to substantially increase advances for micro, small, and medium enterprises.
- Bangladesh Bank's supervisory vigilance on banking governance will be straightened further to clamp down on loan delinquencies.

In the FY17 Bangladesh Bank will continue with the existing stance that is cautious overall but clearly accommodative in supporting productive pursuits. Commercial banks have been motivated and supported in extending loans to the productive and vulnerable sectors at lower interest rates. Green projects will avail loan at a lower rate and so will export promotion activities. While the government targeted economic growth at 7.2 percent in FY-2017. It will achieve through providing electricity, gas, and infrastructure to businesses are priorities to ensure slightly upward growth in a sustained fashion. Faster implementation of ADP will be helpful to promote revenue and growth potentials for the country.

Given all the positive indications, the key challenge for banking industry now is to attract good investors. Reportedly, the banks are sitting on huge idle money but cannot lend due to absence of good investment opportunities. If the banking industry of Bangladesh can tap the advantage of bullish economic growth of the country and attract good investors, surely the banks will enjoy a more fruitful year of 2017.

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

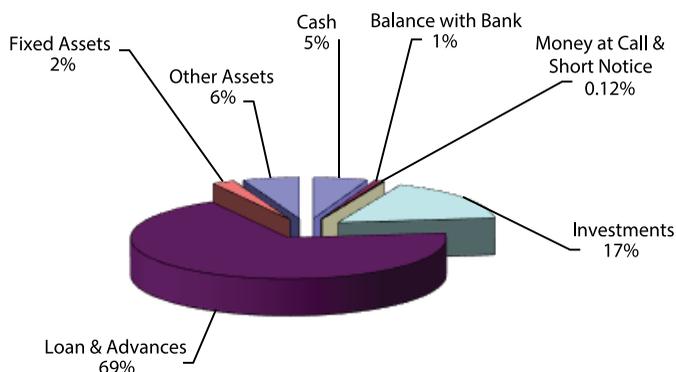
As on 31st December 2016 total asset of the Bank stood at Tk. 152,789 million with a positive growth of 15% (Fifteen percent)

Total Assets (Million Taka)



in comparison with corresponding previous year of 2015. The increase in Asset was mainly driven by significant growth of

Assets Mix-2016



customers' deposits which were used for funding in loans & advances and holding of securities. The increase in asset is de-

termined by loans and advances.

Cash in Hand

Cash in hand stood at Tk. 964 million in 2016 as against Tk. 830 million of the previous year i.e. 16% 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 2016, Balances with Bangladesh Bank and its agents increased by more than 17% (seventeen percent) amounted to Tk. 7,499 million.

Balance With Other Banks/ Financial Institutions

During the year 2016 balances maintained with other banks and financial institutions stood at Tk. 1,233 million as against Tk. 2,278 million of the previous year which is decreased by 46% from previous year.

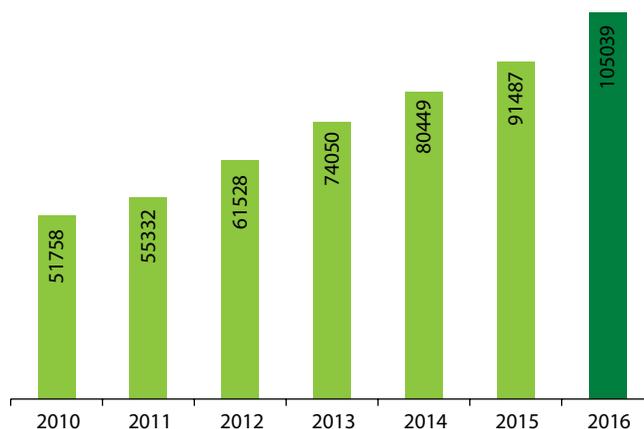
Investments

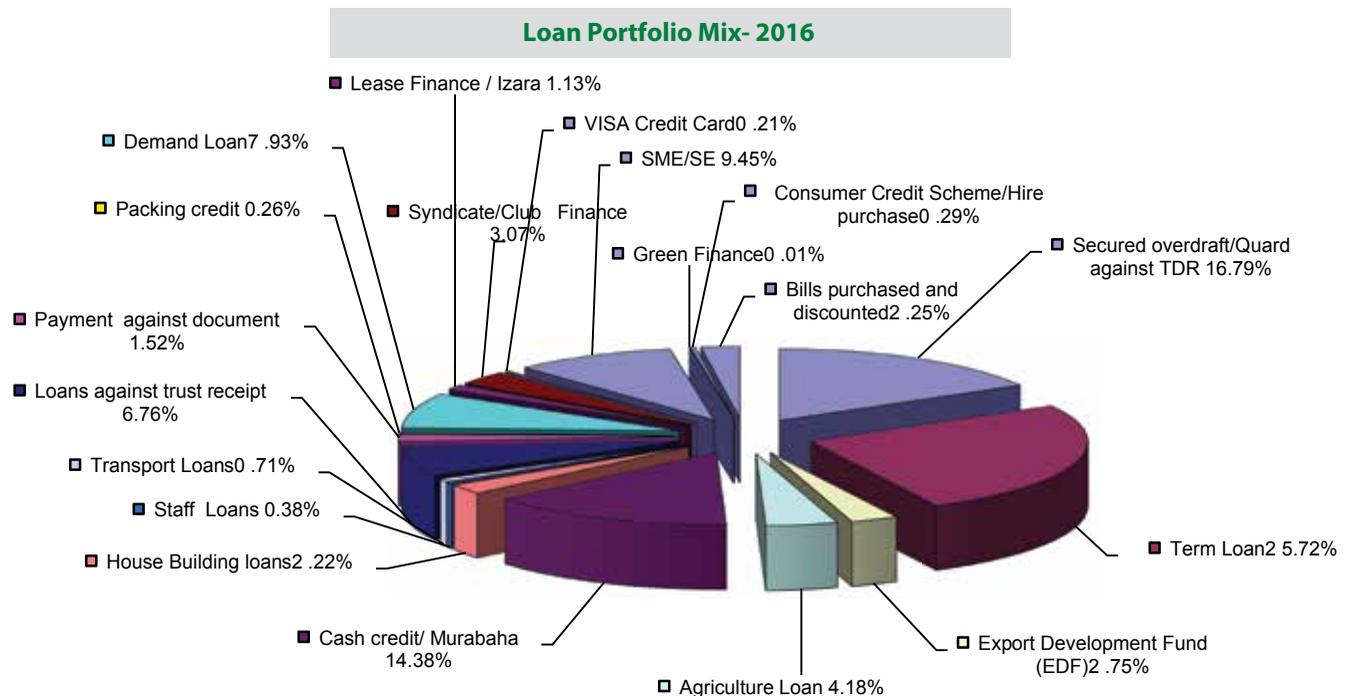
The Bank always gives emphasis on investment of Funds in high yield areas simultaneously maintaining Statutory Liquidity Requirement (SLR) as fixed by Bangladesh Bank. Besides, one of the investment activities of the bank is to maintain Statutory Liquidity Reserve (SLR) which mainly comprises Government Treasury Bill and Treasury bond of different tenure. Prize Bonds, Government approved Debenture. The Bank invested total Tk. 25,533 million in 2016 as compared to Tk. 19,109 million of the previous year.

Loans and Advances

Total Loans and Advances of the Bank has increased to BDT 105,039.08 million as on December 31,2016 in comparison to BDT 91,486.62 million as on December 31,2015, which indicates an increase of 15% 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.

Loan & Advances (Million Taka)





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 2015 was Tk. 2943.03 Million which stands Tk. 3209.99 Million at the end of the year 2016.

To inform about the importance and increase awareness among the employees regarding green banking, the Bank

has included special module on "Green Banking: prospect in Banking Sector" in different training programs arranged by Bank's Training Institute. Environment Risk Management has been taken as part of social responsibility for the Bank. It has financed in various environment friendly projects like CNG projects, Effluent Treatment Plant (ETP) of manufacturing industries, Auto Brick Field using Hybrid Hoffman Kiln (HHK), etc.

Due to prudent initiative of the Management, it becomes possible to retain the non-performing loan within 3.64% i.e. Tk. 3798.96 Million against the total loans and advances of BDT 104456.11 million at the end of the year 2016.

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

Corporate Finance

Standard Bank Limited always adopts strategy for widespread service for the large and medium sized corporate customers and Bank's business is focused to a considerable extent on the corporate clients by maintaining a relationship and extending financial assistance based on a deep understanding of the clients' business environments, financial needs and internal strategies for growth. The Bank extends its financial support to the corporate clients either from own finance or by arranging syndicated/club finance. The investment in corporate sector is the combination of a mixed and balanced allocation in various natures.

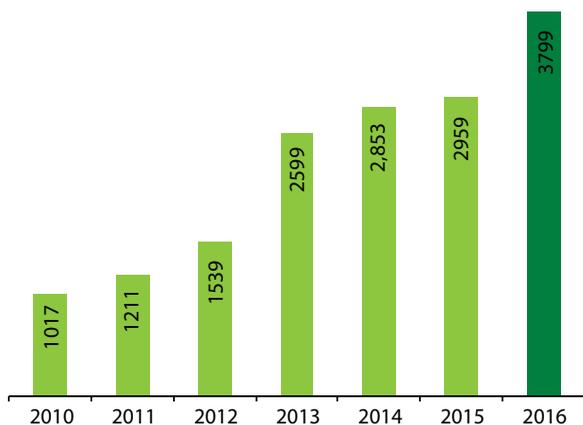
Syndicated Finance

Syndicated loans allow arranging funds for large projects spreading the risk amongst the partner Banks. Clients also enjoy the benefits of having access to larger pool of funds from multiple financial institutions but have to deal with one Agent Bank and one set of documentation. The Bank disbursed Tk. 3,286.80 million as funded and non funded facilities in Syndication Finance. The outstanding balance of the same as on 31.12.2016 was Tk. 3,209.99 million. The projects in which the Bank participated in syndication financing in different prospective Green field & BMRE projects in the sectors like Power Generation, Telecommunication, Pharmaceuticals, Textiles, Manufacturing industries etc.

Non Performing Loan Management

Credit Monitoring is a continuous process to maintain and upgrade the health of assets of the Bank. The Bank continued its efforts to maintain high quality assets. Besides giving emphasis on the satisfactory business performances of the customers and collateral support, the Bank geared up loan monitoring and follows up systems through Monitoring Department

Non performing Assets (Million Taka)



to check the loans from becoming non-performing. The non performing loans of the Bank stood at Tk. 3,799 million at the end of 2016 compared to Tk. 2,959 million in 2015 i.e. 3.64% increase from previous year.

Liabilities and Shareholders' Equity

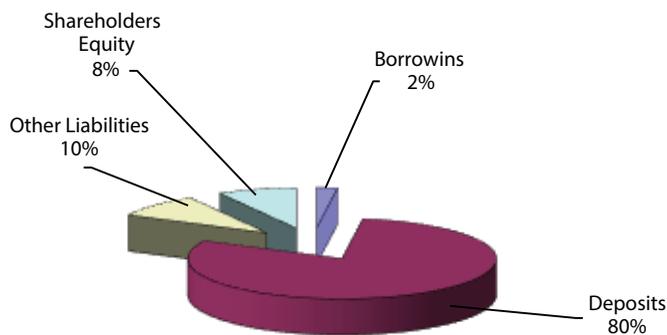
Total liabilities of the Bank stood at Tk. 1,52,789 million as of 31 December 2016 registering a growth of approximately 15% (fifteen percent) over the last year. This was mainly due to increase in customers' deposits.

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. 5,284 million at the end of 2016 compared to Tk. 3,247 million of 2015. The Bank's borrowing also includes bor-

rowing against refinance from Bangladesh Bank for financing under SMI scheme and financing against SME (women entrepreneurs).

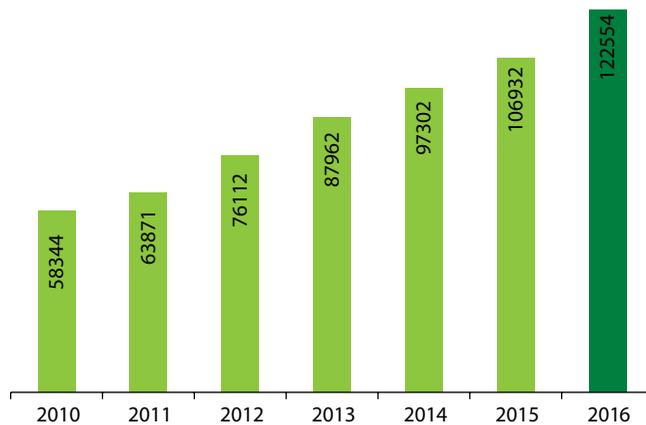
Assets Funding Mix-2016



Deposit

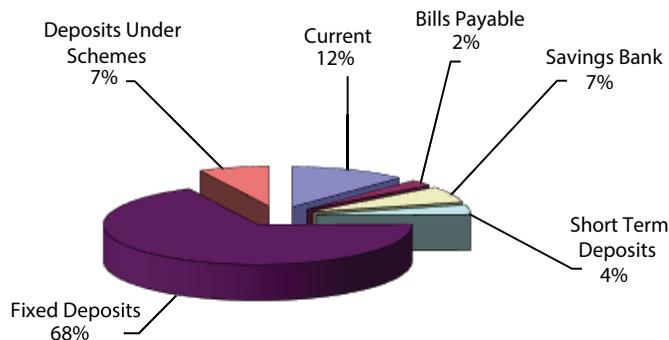
Deposit is the principal source of fund invested to generate revenue in banking business. SBL always tried to give the highest return on the deposit from the customers The Bank's deposit stood at Tk. 1,22,554 million as on 31 December, 2016

Deposit (Million Taka)



compared to Tk. 1,06,932 million in 2015, thus recording 15% percent positive growth. Competitive interest rates, attractive deposit products, deposit mobilization efforts of the Bank and confidence reposed t the customers in the Bank contributed to the growth in deposits. SBL is offering different types

Deposit Portfolio Mix - 2016

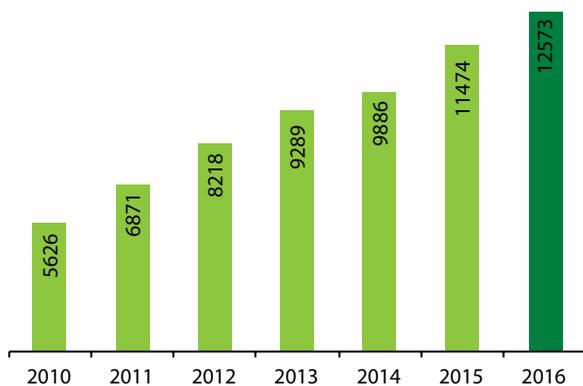


of deposit products for the customers. Among the products, Fixed Deposits, Scheme Deposits of different types, savings deposits, short-term deposits remained the core deposits of the Bank. SBL Regular Income program (SRIP), Double Income Plus (DI+), SBL Regular Deposit Program (SRDP), Life Secured Double 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 31.12.2016. The paid up capital of the Bank has been increased to Tk. 7,541 million from Tk. 6,557 million due to declaration of 15% (Fifteen percent) stock dividend for the year 2016. The total equity of shareholders of the Bank at the end of the year 2016 stood at Tk. 12,573 million and in 2015 was at Tk. 11,474 million.

Shareholders Equity (Million Taka)



Statutory and Other Reserve

The Statutory and Other Reserve increased to Tk. 4,175 million during the year by registering 11% (fourteen percent) increase over Tk. 3,753 million of the last year.

Other Liabilities

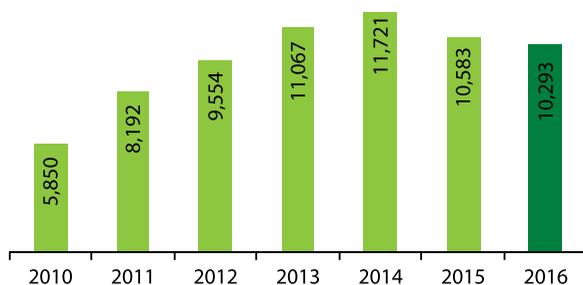
During the year 2016, other liabilities of the Bank increased to Tk. 12,379 million from Tk. 10,669 million of 2015.

Income

Interest Income

During the year 2016 interest income of the Bank was Tk. 10,293 million as against Tk. 10,561 million of the previous

Interest Income (Million Taka)



year thus negative growth of 3% percent due to lower interest spread. The income generated mainly from loans and advances, which remained the principal contributor.

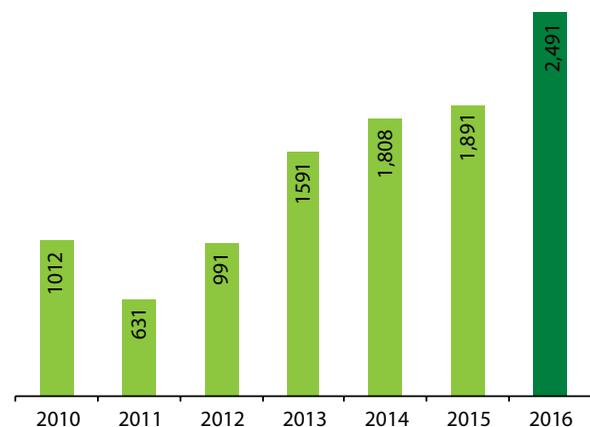
Net Interest Income

The net interest income of the Bank for the year under review stood at Tk. 3,317 million as against Tk. 2,766 million for the previous year.

Investment Income

The Bank's investment income during the year 2016 was mostly in long term Govt. Securities which stood at Tk. 1,574 million

Investment Income (Million Taka)

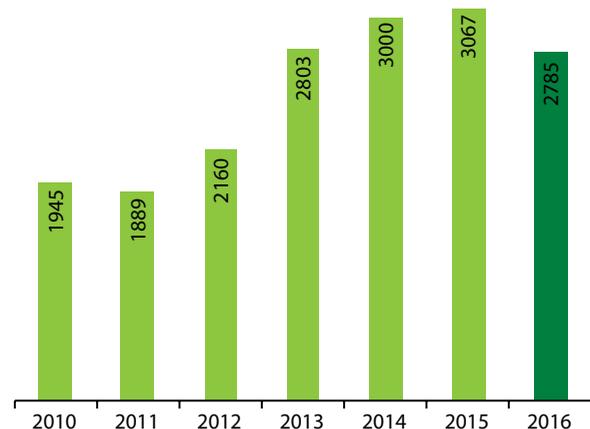


as against Tk. 1,916 million in 2016. The Government Treasury Bonds have been purchased to cover the increased SLR arising from the growing of deposit liabilities.

Commission, Exchange & Brokerage Income

In the year under review, commission, exchange and Brokerage earnings were Tk. 912 million which was Tk. 897 million in 2015.

Non Interest Income (Million Taka)



Expenses

Interest Expenses

Interest expenses moved down from Tk. 7,795 million in 2015 to Tk. 6,975 million in 2016 posting a decrease of 11% (eleven

percent). The interest expenses of the Bank were decreased due to low cost of Deposits.

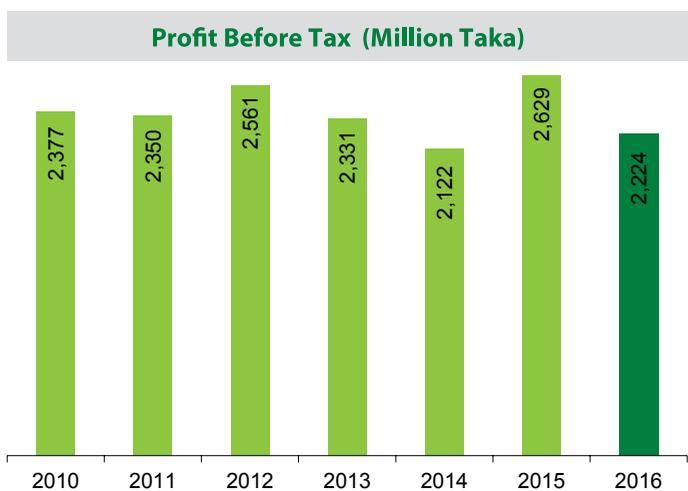
Operating Expense

In the year 2016, total operating expenses stood at Tk. 2,878 million as against Tk. 2,582 million of the previous year.



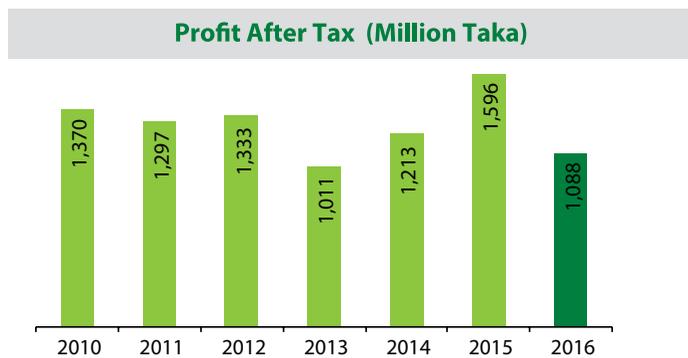
Profit before Tax

Net profit of the Bank before tax stood at Tk. 2,224 million as against Tk. 2,629 million of the previous year.



Net Profit after Tax

Net profit of the Bank after tax stood at Tk. 1,088 million in 2016



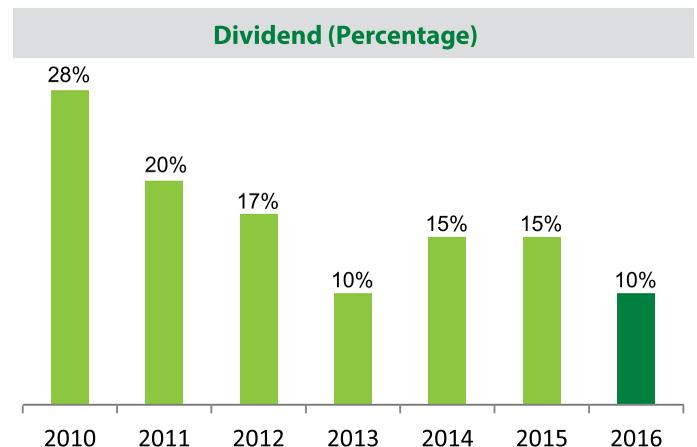
as against Tk. 1,596 million of the previous year, thus negative growth of approximately 32%.

Operational Success And Appropriation Of Profit

The operating profit of the Bank during the year 2016 was Tk. 3,223 million as against Tk. 3,275 million in 2015. The Bank was able to earn gross income of Tk. 13,077 million during the year 2016 whereas the gross expenses were Tk. 13,652 million.

Dividend

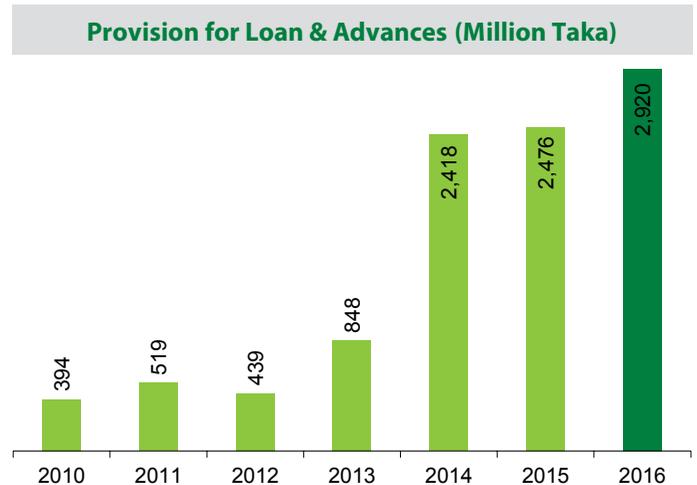
The Board of Directors of the Bank in its 270th Board meeting held on 22.03.2017 has recommended 5% Stock dividend and 5% cash dividend for the year 2016 of Tk. 754,101,900.00 by



keeping Tk. 78,620,953.00 and Tk. 421,726,218.00 as retained earnings /surplus profit and Statutory Reserve respectively subject to approval from shareholders at 18th 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. 828million against classified and unclassified advances as per revised directives of Bangladesh Bank by December 2016, the Bank



made provision for Tk. 828 million during the year under report. At present there is no shortfall in provision against clas-

sified and unclassified loans and advances and Off Balance Sheet Exposures.

Provision for Tax

Provision for tax for the year 2016 is Tk. 1,135 million compared to Tk. 1,033 million of previous year. According to Bangladesh Accounting Standards (BAS) 12, Current Tax of the Bank has been calculated.



Segment Reporting

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

Particulars	Standard Bank Ltd.	Subsidiaries		Overseas		Total
		SBL Capital Management Ltd	SBL Securities Ltd	UK Ex.House	USA Ex.House	
Net interest Income	3,217,807,185	70,703,615	28,120,758	-	432,135	3,317,063,693
Total Operating Income	5,422,686,107	202,225,480	65,958,496	20,696,652	90,739,722	5,802,306,457
Total Non Operating Income	297,052,826	1,325,200	161,785	1,100,951	48,061	299,688,823
Total Operating Expenses	2,740,084,353	14,664,639	15,303,149	22,749,357	85,580,275	2,878,381,773
Profit before Provision	2,979,654,580	188,886,041	50,817,132	(951,753)	5,207,508	3,223,613,507
Total Provision against assets	871,023,493	124,325,496	4,082,853	-		999,431,842
Profit before Tax (PBT)	2,108,631,087	64,560,545	46,734,279	(951,753)	5,207,508	2,224,181,665
Provision for Taxation	1,065,073,936	57,686,497	13,220,198	-		1,135,980,631
Profit After Tax (PAT)	1,043,557,151	6,874,048	33,514,081	(951,753)	5,207,508	1,088,201,035
Segment Assets	151,653,891,709	953,798,040	153,073,479	25,428,370	3,015,845	152,789,207,443
Segment Liabilities	151,653,891,709	953,798,040	153,073,479	25,428,370	3,015,845	152,789,207,443

Credit Rating of the Bank

Surveillance rating of Standard Bank Limited was rated as on AA on the information of 31.12.2015 by the Credit Rating Information Services Ltd. (CRISL) of Bangladesh Limited (CRAB) 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 (IQ) 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 are serious threats to financial system of all countries and at the same time most discussed & burning issues at this moment in the whole world. Bangladesh is facing the threats of ML/TF risks as like as other part of the world. Money Laundering is happened by launderers worldwide to conceal the proceeds earned from criminal activities. It happens in almost every country in the world and a single scheme typically involves transferring money through several countries in order to obscure its origins. And the rise of global financial markets makes money laundering easier than ever, making it possible to anonymously deposit proceeds of crime in one country and then have it transferred to any other country for use. Money laundering has a major impact on a country's economy as a whole, impeding the Social, Economic, Political and Cultural development of a society. Both money laundering and terrorist financing can weaken individual financial institution and they are also threats to a country's overall financial sector's reputation. Combating money laundering and terrorist financing is therefore, a key element in promoting a strong, sound and stable financial sector.

The process of money laundering and terrorist financing (ML/TF) is very dynamic and ever evolving. The money launderers and terrorist financiers are inventing more and more complicated and sophisticated procedures and using new technology for money laundering and terrorist financing. To address these emerging challenges, the global community has taken various initiatives against ML & TF. In accordance with international initiatives, Bangladesh has also acted on many fronts. Considering the bad effects of ML & TF Standard Bank Limited is committed to take appropriate measures to prevent ML & TF risks in the bank. Meantime, SBL has taken the following initiatives to comply with the requirements of Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank.

Uniform Account Opening Form has been introduced in the bank where KYC is a must. It includes standardized Know Your Customer (KYC), Transaction Profile (TP) and Risk Grading of Customer as per Money Laundering Prevention Act-2012 (amendment-2015) and Circular No. 10 dated 28.12.2014 of BFIU. 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.

"Money Laundering & Terrorist Financing Risk Management Guidelines, September-2015 has been issued on September, 2015 and implementing the same in the Bank since October, 2015.

“Standard Bank Ltd, Customer Acceptance Policy-2016” has been issued on October, 2016 and implementing the same in the Bank since November, 2016. 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. Cash Transaction Reports (CTR) has been submitted to BFIU, Bangladesh Bank on a regular basis using goAML Software provided by BFIU as well as CD medium. In the year-2016, there were 65391 Cash transaction reports occurred in the different branches of SBL and have been reported to BFIU, Bangladesh Bank. SBL follows standard procedure to detect Suspicious Transaction of its clients and monitor them closely. In the year-2016 AML Division detected 03 (Three) STRs & 01 SAR from 04 separate branches and reported to BFIU, Bangladesh Bank. Self Assessment Report as per BFIU master Circular No. 10 dated 28.12.2014 done by the branches on a half yearly basis and based on this a summary report has been prepared by AML Division for submitting the same to the Management and BFIU, Bangladesh Bank on half yearly basis. Independent Testing Procedures is done by the ICCD while conducting Audit in the branches. The same is summarized and placed before the management on half yearly basis. Implementation of UN Sanction Screening for new customers of the Bank is going on in all the branches of the Bank as well as Sanction Screening for out going payment & inward 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 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 AML System check of the branches AML Division of the Bank inspected 12 (twelve) Branches and 01(one) Division of Head Office of the Bank in the year-2016 to review AML/CFT compliance status of the respective Branches & Division. AML Division conducts AML training/workshop on a periodic basis with the collaboration of Training Institute of SBL to enrich AML & CFT knowledge of its employees. 177 Officials of the bank took part in 04 (four) AML workshops in the year- 2016.

AML Division has been conducted a Lead Bank Training Workshop on AML/CFT on 22.10.2016 at Uttara EPZ, Nilphamari with the collaboration of BFIU, Bangladesh Bank to enrich AML & CFT knowledge of employees of SBL as well as other Banks working at Nilphamari District, wherein 35 officials of different banks including 10 officials of SBL took part in the workshop. A team consisting of 04 (four) members including 01 DGM, 02 Joint Directors and 01 Deputy Director of BFIU were present in the Training Workshop. Meantime a “Service Exchange Contact” for verification of National Identity Card is completed

between SBL & Election Commission (EC) and very soon the Branches can verify the Identity Cards (NID) of the existing and new account holders with the data base of Election Commission.

Central Customer Services & Complaint Management Cell

The Banking system in Bangladesh is still the most important medium for delivery of financial services to the people. And that’s why the matter of quality customer services is the prime factor in banking industry. Standard Bank Limited is not only a profit making institution; rather it is the organization for providing quality financial services to the people through its 112 branches and 07 Agent Banking Outlet all over the country.

With a view to strengthening the corporate governance structure of Standard Bank Limited and also to bring about improvement in 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 Honourable Managing Director of the Bank.

Under the Central Customer Service & Complaint Management Cell (CCS&CMC) Zonal Customer Service & Complaint Management Cell (ZCS&CMC) have been reformed. And Under the Zonal Customer Services & Complaint Management Cell (ZCS&CMC) Branch Level Customer Service & Complaint Management Desks (BLCS&CMD) have also been reformed in the bank. Each ZCS&CMC and BLCS&CMD is working actively 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/dis-satisfaction 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 17 (seventeen) complaints have been received in the CCS & CMC during the period of 01.01.2016 to 31.12.2016 details of which are as under:

Sl No.	Complainant	No. of Complaint Received	No. of Complaint Settled	No. of Complaint Unsettled
01	Bangladesh Bank	11	11	0
02	General customer/ Other institutions	06	06	0
Total		17	17	0

- A. 11 Complaints of the above 17 complaints received from FICSD, Bangladesh Bank. All of the 11 complaints have been resolved.
- B. 06 Complaints out of the above 17 complaints received from General customer/ other institutions other than Bangladesh Bank which are settled.

Training, Research and Development

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

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



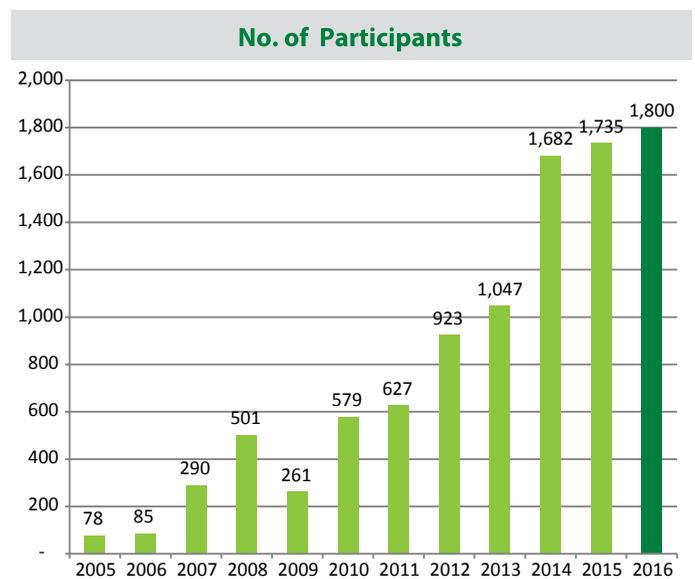
With a view to continue effort to contribute to the strategic capability of Standard Bank Limited in conformity with its vision by developing a skilled, committed, ethical and well-motivated human resource through training, Standard Bank Training Institute has already covered a total number of 9,608 (cumulative) officers and executives under different branches of training through 364 courses and workshops since its inception in 2005. In 2016, SBTI organized training for a total number of 1800 officers and executives through 57 courses and workshops. In 2016, important areas of training include Branch Management, Banking Laws & Practices, Import & Export Procedure, Credit Operation & Management, SME, Communicative English in Banking, Loan Classification & Provisioning, Management of Non-Performing Loan, Money Laundering Prevention, Internal Control & Compliance, Developing Customer Services, Application of Negotiable instruments in Banking, Green Banking & ERM, Understanding Financial Statements, Alternative delivery channel etc. Especially, SBTI focused training

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

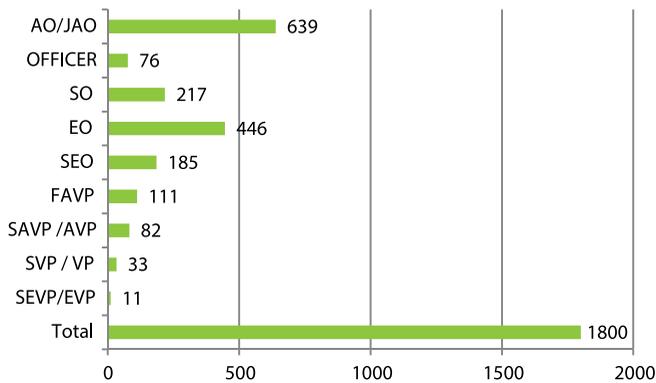
Further, Training Institute expresses intent to extend its activity by undertaking research and study on issues relevant to banking, innovation of new products and business strategy of Standard Bank Limited.

Besides, in 2016, a total of 133 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, 4 executives/officials have been facilitated with foreign training.

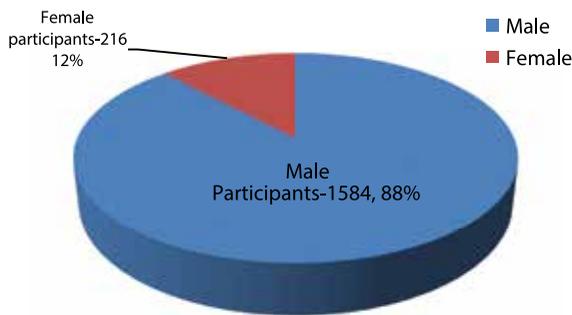
A year-wise training performance for the period from 2005 to 2016 is shown in the chart below:



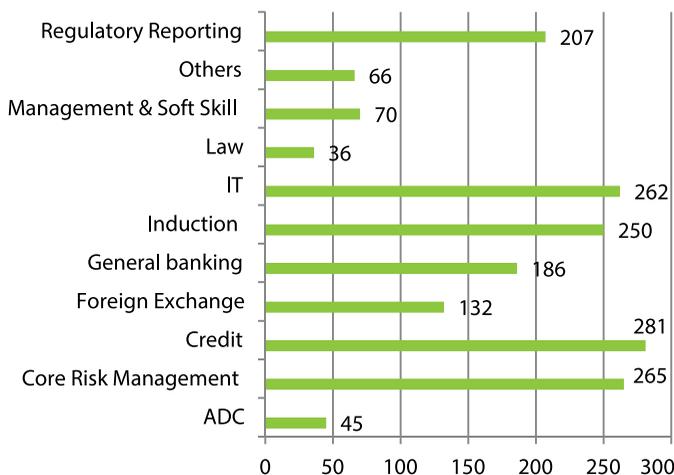
Grade Wise Participants



Gender Wise Participants



Training Areas and Participants



Training Statistics- 2016	
Total no. of course/workshops	57
Total no. participants	1,800
Male participants	1,584
Female participants	216
Total Man-hour	34,184
Average Man-hour per participants	19

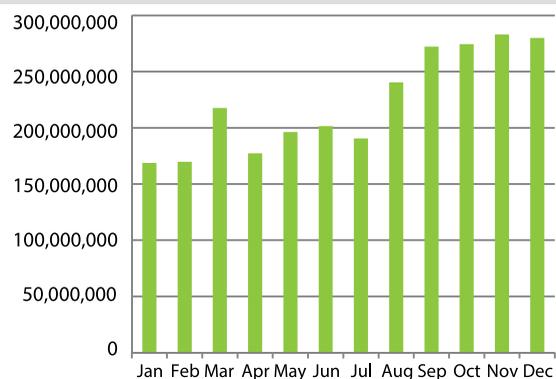
Information Technology Division

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 etc.

In 2016 a good enhancement is done in our core banking system. We have centralized day-end operation (interest provision, interest posting, general account interest etc.) of the whole bank in iStelar. This will ensure more secured and controlled banking in our bank. Much new functionalities are added and many requirements are fulfilled. Bangladesh Bank RIT Reporting, ISS Reporting are gradually fulfilled.

In 2016 SBL has implemented BTCL & DESCO online bill collection system successfully and collecting bills from customers regularly. WASA, DPDC & BRTA collection system is also running smoothly. e-Government Procurement (e-GP) or e-Tendering system is running smoothly in our Bank and providing services to our customers through branch network across the country. We have collected Hajj fee in 2016 and preparing to collect Hajj fees for 2017 in large scale. An increasing trend is found in the collections amount and is shown graphically below:

Collection

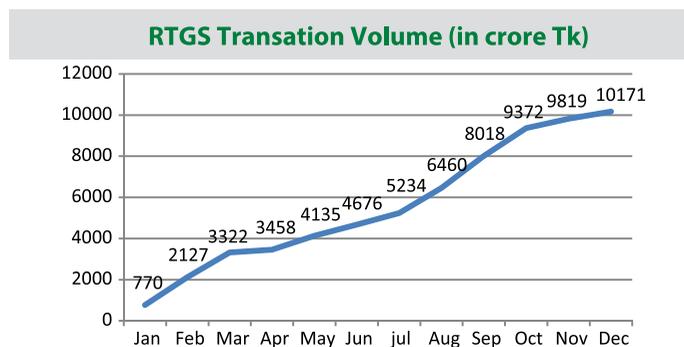


SBL has already soft launched Mobile Apps and integration with CBS done. Through this service customers will be able to access banking product and services with their own phone. Branch load will be reduced and digitalization of banking will be achieved.

We have already Implemented Agent Banking software and started its operation since February-2016 through seven agent outlets in different remote locations. Through this service non-banked people are getting the banking service from remote area. This will create a good image of our bank in the banking industry as well as throughout the country.

As a modern secured and instant payment system, we have implemented RTGS system in all branches of our bank this year. All the banks are creating awareness to the customers and it is

becoming popular gradually. RTGS transaction is also increasing throughout the bank and is shown graphically below:



To comply with all the regulatory authorities, in 2016 we have implemented AML Sanction Screening system and FATCA in all the branches.

Datacenter is a vital part of a modern IT driven bank. A new state-of-the-art Datacenter implementation is under process. Work order has already been provided to vendors and establishment is already started for establishing cost effective, reliable, robust and secured Datacenter and Disaster Recovery Center. Infrastructure development for new Datacenter is almost done. It is expected that new DC will be in live operation from February-2017.

For efficient and high performance operation, The i-Stelar (core banking system) and Ultimus (off-shore banking system) are implemented in our bank. i-Stelar will enhance our business operation. IT Division has implemented i-Stelar in all the branches and full banking operation is running through i-Stelar.

Treasury Division

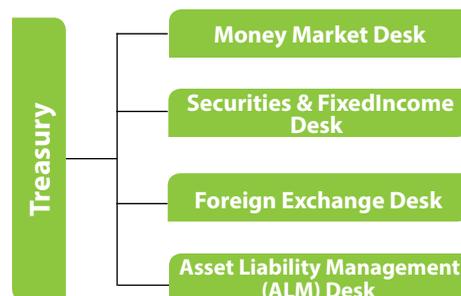
In the backdrop of ever changing regulations and market volatility: the Treasury Division has been at the heart of all major banks and financial institutions, where starting from the Liquidity risk to overall Balance sheet Risks are managed. One of the main functions of Treasury Division is to control 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 interbank and corporate market.



How was 2016?

In the face of formidable challenges, the Bangladesh economy continued to show signs of resilience throughout 2016. The economy benefitted from a number of advantages from the perspective of macroeconomic management that were sustained from the previous year 2015. Macroeconomic stability was maintained, thanks to falling inflation, contained budget deficit, and large surpluses in both current and financial accounts in the balance of payments (BOP), which was reinforced by impressive export growth and rising foreign direct investment (FDI), and increasing foreign exchange reserves. Declining interest rate on lending has played an important role in the recovery of credit growth to the private sector. The overall business environment observed in the country was quite calm in comparison to that of 2015 & 2014. Once people were convinced about the conducive business environment, they started investing again which was witnessed through growth in export and import that started from 2015. All through 2016, the Local Money Market as well as Foreign Exchange Market was liquid although BDT slightly depreciated against USD on November to December 2016 period. This was primarily due to slow down in our local private sector investment. In this situation, to support country’s economic growth and to revive investor’s confidence, Bangladesh Bank took several steps under inclusive banking specially credit accessibility for agricultural as well as small and medium enterprises (SME), empowerment of women, green banking, modernization of financial sector, mobile banking, e-commerce, export promotion and liberalizing foreign exchange transaction. All these steps along with the prudent monetary policy adopted by Bangladesh Bank ensured steady economic growth in 2016 while containing inflation below 6%.

Outlook of 2017

Several indicators point to robust economic activity in the first half of FY17, aided by Macro-economic and political stability, and strong domestic demand. Private credit growth at around 15-16 percent is at a three-year high, with strong demand coming from trade, construction, and small and medium enterprise (SME) sector, which helps productivity and job creation. Medium and large-scale manufacturing industry also grew robustly. Export growth moderated but has held up relatively well (4.4 percent in December 2016), compared to peers and is expected to pick up. The buoyancy in activity is somewhat softened by the decline in remittance. Based on the recent economic developments, BB’s

econometric model estimate, and sectoral analysis, growth is projected to be above 7 percent (7-plus) in FY17. Looking ahead, the government's reform initiatives to improve the business climate and ease infrastructure bottlenecks, including by developing special economic zones, should help crowd in both private domestic and foreign direct investments that can create more jobs, raise productivity, and potential growth.

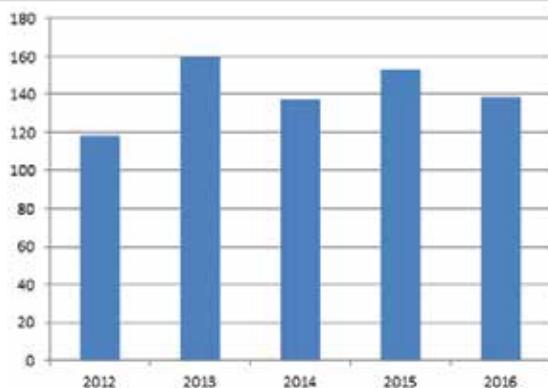
The main objective of Bangladesh Bank's monetary policy is price stability, alongside supporting inclusive output and employment growth. Over the years, in addition to the short term business cycle agenda, Bangladesh Bank has also been making efforts to nudge the financial system toward addressing long-term sustainability concerns, by supporting an inclusive, job intensive, and environmentally sustainable growth. Sustainable finance can help foster social cohesion and long-term macroeconomic stability, which are critical for a rapidly growing, manufacturing-led economy, with a relatively large, young population and with exposure to weather shocks and climate change vulnerabilities.

The monetary program for H2 FY17 takes into account the recent economic and financial sector developments and will target a monetary growth path aiming at keeping average inflation below 5.8 percent. The monetary program framework is based on the ceilings for broad money and reserve money growth of 15.5 and 14.0 percent, respectively. This is consistent with domestic credit growth within 16.4 percent and private sector credit growth within 16.5 percent by June 2017. These are indicative ceilings deemed sufficient to accommodate projected GDP growth target, even allowing for some unforeseen extra growth spurt.

Treasury performance in 2016

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 2016 through executing strategies properly and forecasting market accurately especially in Money Market Dealing with the Local Currency for managing and utilizing fund and the other is Foreign Exchange Dealing with the Foreign Currency. We have a superb Treasury Team working for prudent fund management with excellence in performance and skill. During the Year 2016 income from the Treasury was Tk.138.72 Crore.

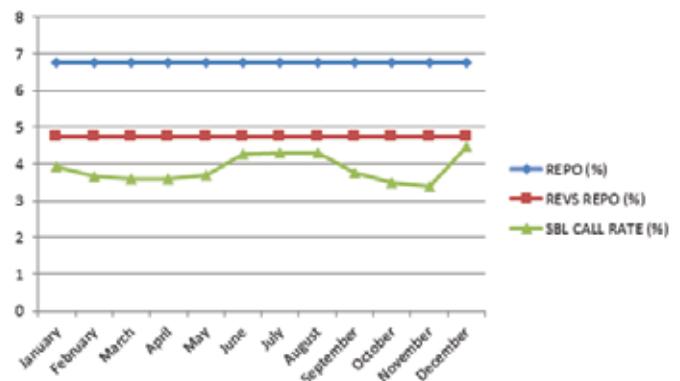
Comparison of Treasury profit among last five consecutive years



Standard Bank Money Market Desk

All through 2016 the interbank money market experienced a very liquid scenario. There was no single instance where money market was felt a bit stretched. This was mainly possible for the accommodative monetary policy stance that was adopted by Bangladesh Bank. Call money rate hovered around 3.39%-4.48% for most of the year 2016. Alike the previous years, Standard Bank Money Market Desk was very active in the money market all through the year 2016. Income from Call Money by MM Desk in 2016 was BDT 2.05 crore compared to BDT 2.80 crore of 2015 and expenditure was BDT 4.27 crore compared to BDT 10.94 crore of 2015.

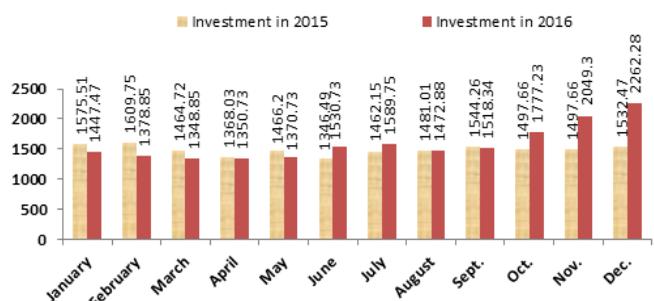
REPO, Revs. REPO & Call Money Rate for the FY of 2016

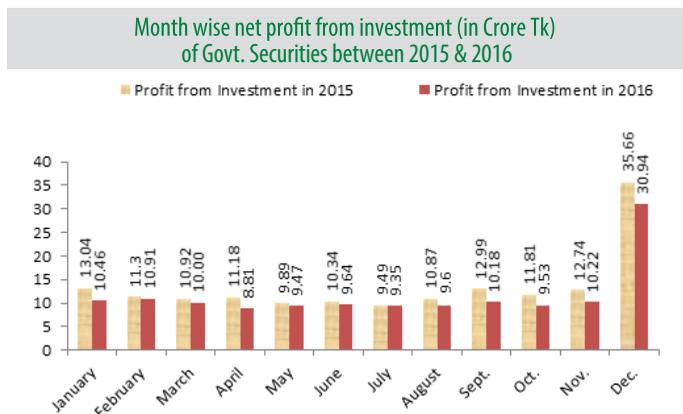


Standard Bank Securities & Fixed Income Desk

In 2016, Standard bank securities desk is active in mainly government securities deals with both primary and secondary market, also invest in sub-ordinate bonds. The Securities Investment Committee takes investment decision and review the performance of the portfolio. Types of 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 2016, our team positioned itself as one of the most promising member among the banks in secondary trading of government securities. At the end of 2016, our total portfolio was BDT 2262.28 Cr compare to 2015 BDT 1532.47 Cr.

Month wise investment (in Crore Tk) of Govt. Securities between 2015 & 2016





Foreign Exchange (FX) Desk:

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

Reuters: Our dynamic Treasury team is supported in all their activities by Reuters. The platform provides us with instant connectivity with Banks and Financial Institutions in Bangladesh and abroad. It also allows them to conduct analysis of all kinds of securities that the market players are dealing in. The platforms offer a wide array of information from numerous sources enabling the team to conduct complex analysis and forecasts to support its trading and investment decisions. Our team is one of the top teams in the market in terms of performance and coverage. We aim to be the top treasury team in the market by 2017.

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:

Sl No.	Designation	Position
1	MD & CEO	Chairperson
2	Head of CRM	Member
3	Head of Credit	Member
4	Head of BMOD	Member
5	Head of ID	Member
6	Head of FAD	Member
7	Head of SME	Member
8	Head of IBW	Member
9	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 1992 as on December end 2016. Out of them male employees and female employees are 1731 and 261 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 Division

In recent years banking industry in Bangladesh has been experiencing a dramatic growth. Use of cards and its market has been growing rapidly with the increasing acceptability of plastic money in numerous outlets. We are convinced that the Bank is well positioned even in this challenging environment. The next step is earnings-oriented growth. We are concentrating on our core lines of business and selectively expanding them. For us, the growth strategy is at the same time a diversification strategy, from which all of the Bank's divisions are benefiting. Card Division's comparative performance for the year 2015-16 is furnished below:



Cards Development-2016

Hajj & HAAB Project:

MOU signed with HAAB, Participate in Dhaka & Chittagong Hajj fare. There are 50 Hajj account opened and some Umrah & IATA guarantee issued to Hajj Agencies.

EMV Chip Card

Introduced EMV chip card of VISA Credit and Prepaid card for our valuable customers to avoid misuse of card and protect fraudulent card activities.

Verified by VISA

Verified by Visa is an official Visa service, designed to give customers extra protection and peace of mind when shopping online.

Introduce E-Statement

To help drive the reduction of paper consumption in conserving our natural resources, we encourage our valuable clients to switch to e-Statement.

Standing Instruction

Under this facility, card holders can provide 5% or 100% auto debit payment instruction from SBL Saving Account.

EMI & Alliance Partner

There are about 100 plus EMI and alliance partners serving our customers all over Bangladesh and this number is increasing day by day.

Card Division's Goal for 2017

Card Division already set its ambitious strategies for making consistent business growth in 2017. By the end of the year 2017 Card Division forecasted about 10,000 credit cards and 80,000 Debit Cards will be added to cards portfolio.

Hajj Pre-Registration & Registration

With the favor of 30 Branch of SBL Card Division will initiate near about 15-20 thousand Hajj registration.

Formation of Dedicated Card Sales Team

Card market is a very competitive market in Bangladesh, especially credit card. About 89.6 Cores people are using cards in Bangladesh. To increase the card market share and number of card users, Sales Team formation is demand of time and hopefully by the end of January our dedicated sales team will serve for the nation.

Launching EMV Platinum Credit Card

To meet the customer needs and demands, SBL card Division is going to introduce VISA Platinum credit Card for the selective group of prospective card user. We hope that its incorporated services (Highest insurance coverage in Bangladesh Card industry BDT 12 lac, Executive Balaka lounge, Balance Transfer facility etc.) can differ with existing card service providers in Bangladesh.

POS & E-commerce Acquiring

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

Our success remains based on

Our stable base of values such as trust, honesty, sense of duty and responsibility. Our long-standing and motivated staff and our products and services which meet with our customers' satisfaction.

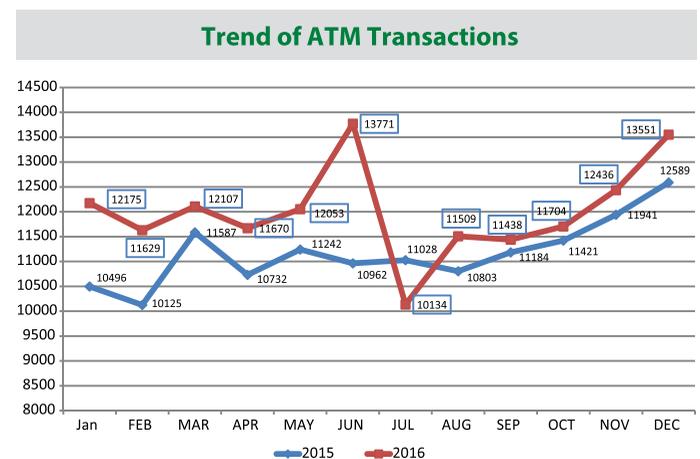
Alternative Delivery Channels

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, KIOSK, Internet Banking, SMS Banking, Mobile Banking and Agent 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. After the establishment of this department at SBL, ADC Department has proven its ability to meet consumer's expectations by ensuring accuracy, convenience, and timeliness in service 24/7 and the channels are set to play a key role for achieving the Financial Inclusion goals of the bank.

(i) Banking through ATM

Standard Bank Limited has a well distributed ATM network across Bangladesh. SBL 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. SBL has already installed 53 ATM Booths at different locations of Bangladesh and is also planning to install 50 more ATMs by June 30, 2017. The below statistics provide the no. of transactions occurred in our ATM during the year 2015 and 2016.

Own ATM Transaction Report												
Year	Jan	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2015	10496	10125	11587	10732	11242	10962	11028	10803	11184	11421	11941	12589
2016	12175	11629	12107	11670	12053	13771	10134	11509	11438	11704	12436	13551



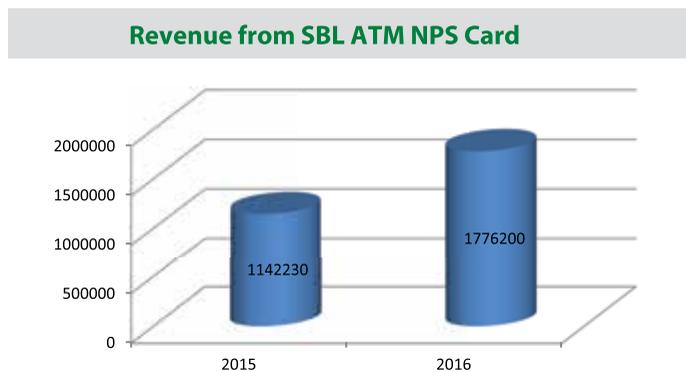
(ii) National Payment Switch Bangladesh (NPSB)

Standard Bank Limited is successfully connected with National payment System Bangladesh (NPSB). Now customers of SBL have access over 7500+ ATM networks as well as 17000+ POS networks allowing ATM transactions (Cash Withdrawal, Mini Statement and Balance Inquiry) and POS retail purchase service. Below is the statistics of transaction summary between 2015 & 2016.

NPSB Transaction Report(ATM)			
Particulars		2015	2016
SBL Card at NPSB ATMs	No. of Transactions	70,650	86,204
	Amount of Transactions	Tk. 46,36,91,100.00	Tk. 67,84,83,300.00
NPSB Cards at SBL ATMs	No. of Transactions	67,213	1,02,871
	Amount of Transactions	Tk. 41,89,55,500.00	Tk. 72,83,67,000.00
NPSB Retail Purchase	No of Transaction	-	3,912
	Amount of Transaction	-	Tk. 1,23,78,690.63

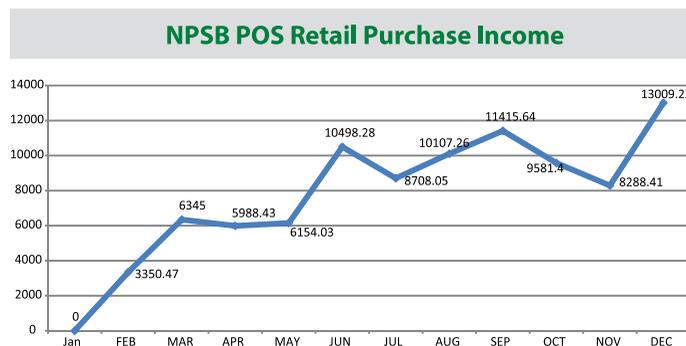
Below is the revenue growth rate of NPS ATM transaction between 2015 & 2016

Revenue from SBL ATM using NPSB Card		
Particulars	2015	2016
Total Income from SBL ATM using NPSB Card	Tk. 11,42,230	Tk. 17,76,200



On 10th February, 2016, SBL launches NPS retail purchase services. From then to till now our SBL debit cardholder can use other bank POS outlets for shopping. Below is the Income Statistics (Total Income Tk. 93092.36) from February to December 2016:

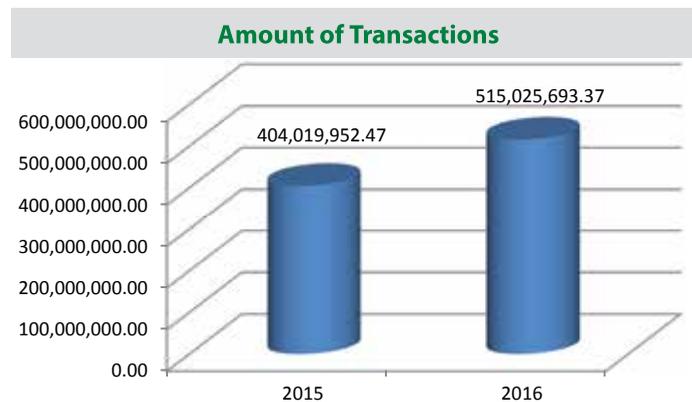
Income from NPSB Retail Purchase Service												
Year	Jan	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2016	0	3350.47	6345	5988.43	6154.03	10498.28	8708.05	10107.26	11415.64	9581.4	8288.41	13009.22



(iii) Branch POS

SBL already deployed 81 units of Branch POS in different branch. POS terminals help customers carry out chequeless transactions at branch by swiping debit cards on the POS machine and this is advantageous when ATMs are not nearby. Our Transactions are increasing regularly. Below is the statistics of the transactions occurred in our Branch POS during the year 2015 and 2016.

Branch POS Transaction Report		
Particulars	2015	2016
No. of Transactions	31,230	32,679
Amount of Transactions	404,019,952.47	515,025,693.37



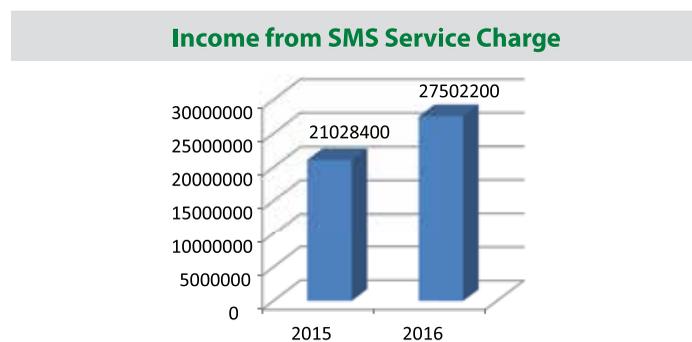
(iv) "SBL Express" Booth

SBL is already introduced "Standard Express" Booth at our Gulshan Corporate Office, a concept aiming to offer some integrated banking services. A Standard Express is equipped with ATMs and CDMs where customers can deposit cash, cheque, refund warrant, dividend warrant etc. This model is also placed to offer personalized customer service including requisition for cheque book and take delivery of their debit/credit cards/ Loan Forms etc.

(v) SMS Banking:

SMS Banking service provides instant notifications about all transactions as and when it happens. It helps SBL clients to keep a watch on their account with a round the clock service. Now, they are always in a position to detect unauthorized access to their account. Additionally, it also helps to know their balances and mini statements instantly by just sending Push-Pull SMS. Below is the statistics of No of SMS transaction and earned revenue comparison of 2015 & 2016:

SMS Statistics			
Year	Total No Of Cus-tomer	No Of SMS	Income from Service Charge
2015	183695	25,47,760	Tk. 2,10,28,400
2016	263521	54,62,600	Tk. 2,75,02,200



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

We already implemented mobile financial service as a brand name "Spot Cash" which is the completely new addition to its existing services. The "Spot Cash" Mobile Account model works on the fundamental principle of giving everyone an access to a bank account and adding value to lifestyle of customers irrespective of social strata in Bangladesh. We have already implemented 90 branch outlets and created 1079 mobile banking accounts, total number of transactions is 734 with total amount Tk.4,03,821.99 /- up to December 2016.

(vii) 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. In the Year of 2016, we have incorporated some security features like OTP (One Time Password) and CAPTCHA (Completely Automated Public Turing test to tell Computers and Humans Apart).

(viii) SBL DigiBanking

On 5th December 2016, SBL implemented Apps Based (Android & ios) Banking Services SBL DigiBanking where below features (Offline & Online) are available:

SBL Capital Management Ltd	SBL Securities Ltd
<p>Offline Features will be available to all who download the apps from play store or apple store. Registration is not required to access the offline features. The following offline features are available through Apps:</p> <ul style="list-style-type: none"> • View different Products & Services of SBL • Product & Service related queries & apply for any product which is suitable for customer. • View Locations (Branch, ATM and Agent Banking Booth) and identify the nearest branch from customer's current location • View various benefits and identify the EMI partner, store address etc. • SBL Branch Manager Name, Mobile No & Email Address. • Customer can apply for product & Services with mentioning his/her name, email ID, Location and Mobile Number. • SBL Complaint Cell Mobile Number, Customer can directly complain the complaint cell from apps. • Help Desk 	<p>Online Features will be available only to registered customer. Customer can login with his user ID & Password and can access the following features:</p> <ul style="list-style-type: none"> • Intra-Bank Fund Transfer • Inter-Bank Fund Transfer through BEFTN • Mobile Recharge (Robi, Grameen Phone, BanglaLink, Airtel, Teletalk & CityCell)) • WASA Bill Payment (Real-time) • Savings & Current Account Information & Transaction Balance. • View Loan Account Information & Current Outstanding. • View Deposit Account Information & Current Balance. • View last 05 Transaction History for a particular account. • Apply for Cheque, Account Statement etc. • Credit Card Bill Payment (Offline) • Birthday Notifications through Text & Audio • SMS Notifications
<p>Security Features:</p> <ol style="list-style-type: none"> 1. Two Factor Authentication through SMS OTP (One Time Password) 2. IMEI binding of Smart Phone 3. Beneficiary Management for Fund Transfer 	

Planning for 2017:

- Rapid Expansion of ATM & Branch POS:

SBL will continue to increase its customer touch points through various channels enabling customers to undertake their banking transactions with ease and convenience. For doing so, SBL is planning to install 50 ATM's by 30th June, 2017 at different locations of Bangladesh to establish itself as an inclusive bank providing value propositions to all customers across all segments and building a unique banking culture. Moreover, Branch POS network will also be expanded by installing new POS Machine at existing and upcoming new branches.

- ATM Security & EMV Chip Card:

By the year 2017, SBL is also planning to incorporate some security features across different delivery channels, such as;

ATM Security	Complying the Central Bank's instruction and as well as for securing ATM transactions from skimming fraud, we are going to install anti skimming device and PIN shield at all ATMs of SBL.
EMV Chip Based Debit Card	For securing customer data at Debit Card, we are planning to incorporate EMV Chip based card in place of Magnetic striped card.
Switching System up-gradation	We are going to upgrade our switching system to provide more security and enhance some value added service. After Migration we are going to implement an interface with Credit Card System so that our credit cardholder can use our ATM, Branch POS & Merchant POS.
NPS Integration with SBL DigiBanking & Internet Banking	NPS Integration of SBL DigiBanking & Internet Banking for real time interbank fund transfer.

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

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

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.

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

Bangladesh Bank has given permission for operating Agent Banking vide letter No. BRPD (P-3)/745(43)/2015-4907 dated 30th June, 2015. In the meantime, we have opened 9(Nine) Agent outlets which are in operation in 7(Seven) districts and opening of more Agent Outlets throughout the Country is under process.

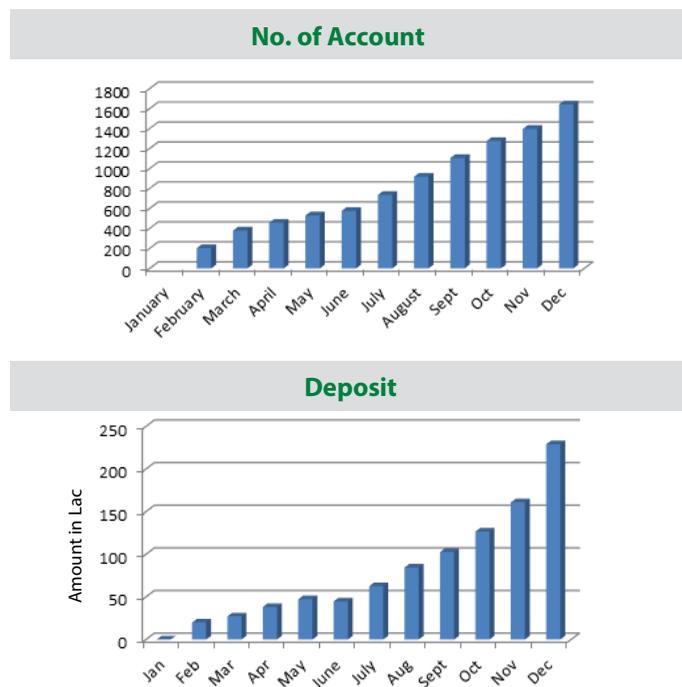


Honorable Chairman Kazi Akram Uddin Ahmed formally opened SBL Agent Outlet at Kutubpur Bazar, Shibchar, Madaripur

Agent Banking Product & Services:

Standard Bank Agent Banking provides all types of Banking services including opening of different types of customer accounts, online fund transfer, Foreign remittance payment, Utility bill collection, School Banking, SME & Agri-Loan disbursement etc.

Growth of Agent Banking at SBL in the year 2016 is shown in chart below:



Standard Bank believes that large rural economy outside the banking net cannot be ignored & Agent Banking will provide the future banking platform for those peoples, 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 give the opportunity to connect huge numbers of rural un-banked population under the Standard Bank umbrella, who are presently outside the banking net.

Credit Administration

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

Credit Administration Division, are in incessant endeavor to serve the branches smoothly, swiftly and judiciously all through the year. A profoundly important point is to be re-capped in this regard. The branch should read Head Office sanction advice between the lines so that they can grasp every nook of the theme and requirement of documentation as specified thereon. If any requirement is deemed unnecessary, redundant or unfillable, they must contact the sanctioning authority well before documentation and take necessary deferral, waiver or omission therefrom and very then, send the file to Credit Administration Division for approval for disbursement authority.

An important point to be noted that Credit Administration Division, Head Office has no authority to amend/waive/omit/defer etc. of terms and conditions of Head Office sanction advice. So all terms and condition of Head Office sanction letter, Bank's credit norms must be complied before sending file to Credit Administration Division for disbursement authority. Moreover, the branch should apply prudence to address any matter, whatsoever, unattended in Head Office sanction advice or Bank's credit norms to uphold bank's interest.

The division follows the procedural steps as follows

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

Law & Recovery Division

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

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

1. A high level Task Force divided into 06 Recovery Groups consisting of Head Office Officers/Executives headed by Honorable Managing Director has been formed to recover the Classified, Written-off, Rescheduled & Overdue Loans and Advances.
2. Recovery Team has been formed at all branches and target for the Year 2017 has been fixed to the branches for Recovery of Classified/Written-off/Overdue Loans.
3. Recovery Cell has been formed at our Chittagong, Khulna & Sylhet Regional Offices under supervision of respective Regional Managers for recovery of the Classified/Written-off/Overdue Loans & Advances.
4. A Special Legal Cell has been formed at our Regional Office, Chittagong under supervision of the Regional Manager to monitor all the cases of Chittagong Region.
5. We have already collected the Fact Sheets of all the Classified Loans from the Branches.
6. Meeting with the Branch Managers of Dhaka City are being held on regular basis at Head Office presided over

by the Honorable Managing Director to follow up the progress of recovery of the Branches.

7. To gear up the Recovery Drive, all Executives of Task Force were assigned to visit the Branches on Saturdays from October to December–2016.
8. Executives & Officers of the Law & recovery Division are regularly visiting the Branches and the borrowers to gear up the Recovery Drive.
9. As approved by the Top management, we have already taken initiative for installing Case Management Software to monitor all cases filed against the defaulted borrowers.
10. Branches have instructed to peruse the lawyers for quick disposal of the cases.

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 the Head Office Executives/Officials and Colleagues of Branches, a few percentage of loans and advances (3.64% i.e. Tk.379.90 crore) have become non-performing as on December 2016 out of total loans and advances of Tk.10445.61 crore. Last year (in 2015) this percentage was 3.26%. During the Year 2016 an amount of total Tk.294.55 crore of loans and advances has turned into newly classified and an amount of classified loans of Tk.210.56 crore was reduced by cash recovery of Tk.15.13 crore, by rescheduling of Tk.153.25 crore, by waiver of interest of Tk.0.83 crore and by write-off of Tk.41.35 crore. Classified loans and advances as on 30.09.2016 was Tk.522.65 crore (5.45%). Under the leadership of Honorable Managing Director by joint effort & team work it has been reduced to 3.64% as on 31.12.2016. The Bank is aware of the increasing trend of NPL and effective recovery efforts have been geared up to reduce the non performing loans. Present Management is very alert & very very serious to the asset quality and taking proper & appropriate steps to maintain asset quality by reducing the classified loans and stopping new classification of loans and advances in the current year.

Business Team

In order to minimize the overall risk and strengthen our monitoring system in the centralized IT System, Business Team of

Head Office is working round the clock to stop unauthorized and fraudulent activities. The Department is effectively organizing our daily business operations through IT enabled solutions. The team is directly reporting to the Management on various issues such as monitoring of branch transactions, system's integrity, improvement, customization of software as per requirement and above all risk mitigation. In 2016, besides other regular activities, we have also introduced Software for "Agent Banking" for extending banking facilities towards remote areas of the country for inclusive banking responding with the decision of Bangladesh Bank. We have also worked for up gradation of the new dynamic website for our bank instead of the existing one. 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. Implementation and UAT of Agent Banking Software.
8. 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 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 Development Fund, National Housing, House Building Finance, IDCOL, Padma Bridge Projects, Ministry of Industries, Ministry of Religious Affairs, Ministry of Health, Ministry of Manpower, Ministry of Education, Ministry of Commerce, Ministry of Food etc.



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, Narayanganj, 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 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 Operation

International Trade

One of the most important components of Standard Bank's business profile is financing in International Trade that has been playing a significant role in the overall foreign exchange business since inception of the bank. The bank is contributing in country's national economy by successfully handling foreign exchange business offering a broad spectrum of Trade Finance Products through its 19 Authorized Dealer (AD) and OBU (Off-shore Banking Unit).

Import

Import volume of the bank was USD 658.16 Million eqv. To BDT 51,491.61 Million in the year 2015. Import business during the year 2016 was USD 706.47 Million eqv. to BDT 55,684.44 with increase of 7.34%.

Export

During the year 2016, total export volume stood at USD 489.49 million equivalents to BDT 38,501.12 million with compare to the export of USD 498.92 million equivalent to BDT 38,746.38 million for the year 2015 which has decreased by 1.89%.

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. Now the bank has strong correspondent banking network with 452 renowned banks around the globe along-with RMA (Relationship Management Application) under SWIFT covering their all branches globally. We have already established RMA arrangement under SWIFT with 47 local banks also.

The bank is enjoying credit line of substantial amount from most of the renowned banks covers globally where Standard Chartered Bank (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. They are also providing discounting facility against our acceptance under UPAS arrangement. This helps us to rule our LC business and also to fulfill our payment commitment abroad.

Foreign Remittance Drawing Arrangement

Presently, the bank has remittance drawing arrangement with Wall Street Finance LLC, USA and MoneyGram Payment System USA Inc. MoneyGram facilitates remittance made by Bangladeshi expatriates all over the world by using their Global network. In UAE, we have arrangement with Wall Street Exchange Centre LLC, Al-Ghurair Exchange, Universal Exchange and Instant Cash FZE UAE. We have also made remittance drawing arrangement with Western Union, USA and ZENJ Exchange Company, Bahrain & Xpress Money, UAE as sub agent. Drawing arrangement with



Al-Ghurair Int'l Exchange & Dubai Exchange Express, UAE is under process. We have accomplished a drawing arrangement with BRAC Saajan Exchange Ltd, UK in this year. 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 108.97 million equivalents to BDT 8,626.56 million for the Year 2016, which is lower by 24.51% compared to previous year 2015 of remittance USD 144.35 million equivalents to BDT 11,369.47 million.

Remittance received from Exchange Companies

During the year 2016, we have received USD 76.67 million equivalents to BDT 6,105.51 million through different exchange companies which is decreased by 37.95% with compare to the remittance of 123.56 million equivalent to BDT 9,754.61 million for the year 2015.

Bank's Own Exchange Company

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

- 1) Standard Exchange Co (UK) Ltd.: The Company started its operation at 101 Whitechapel Road, London E1 1DT, UK. in the month of August 2009. We have received remittance GBP 10.95 Million equivalent to BDT1,260.61 Million during the year 2016 which is 57.79% lower with

comparison to previous year of remittance GBP 25.94 Million equivalent BDT3,086.50 Million. The company is now working as collecting agent of BRAC Saajan as its own MSB Account any bank in UK.

- 2) Standard Co. fUSAI Inc. U/A/N "STANDARD EXPRESS": The Company started its operation on 1st March 2011 by opening its 1st branch at 37-22 73rd Street - Suite # B2, Jackson Heights, NY 11372, U.S.A. It has now 6 branches located at Jackson Heights, Jamaica, Ozon Park, Brooklyn and Bronx in New York and one branch in Los-Angeles at 4151 West Third Street, Unit A, Los Angeles, California 90020, U.S.A. We have received remittance for USD38.59 Million equivalent to BDT3,086.51 Million from Standard Express during the year 2016 which is 0.97% higher than the previous year's(2015) remittance for USD=38.22 million equivalent to BDT3,034.39 Million.

Foreign Currency Exchange Booth:

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

Off-Shore Banking Unit (OBU):

We have started operation of our Off-Shore Banking Unit from 2015 which has widened our coverage of business services. Total 130 bills amounting to \$12.33 Million have been discounted through OBU in 2015. In the year 2016 total 652 bills amounting to \$55.16 Million have been discounted through OBU with a growth of 347% than that of previous year.

International Trade Operations Department (ITD):

A separate "International Trade Operation Department" for facilitating Non-AD branches will be formed at Head Office and shall start its operation immediately.

Treasury:

SBL Treasury is an important and unique banking unit and it has been performing consistently with respect to contribution to bank's profit. It performed remarkably well in 2016 through executing strategies properly and forecasting market accurately especially in Money Market Dealing with the Local Currency for managing and utilizing fund and the other is Foreign Exchange Dealing with the Foreign Currency. We have a superb Treasury Team working for prudent fund management with excellence in performance and skill. During the Year 2016 income from the Treasury was Tk.138.72 Crore.

Business and Financial Highlights:

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

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

Securities Desk: Our securities desk is active in mainly government securities deals with both primary and secondary market, also invest in sub-ordinate bonds. The Securities Investment Committee takes investment decision and review the performance of the portfolio. Types of government securities are T-bills (91 Days, 182 Days, 364 Days) and T-bonds (2 years, 5 years, 10 years, 15 years, 20 years) for banks and non-bank customers. Besides, SBL Treasury invests in 30 days, 14 days and 7 days tenure Bangladesh Bank Bills. By the end of 2016, our team positioned itself as one of the most promising member among the banks in secondary trading of government securities.

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

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.

Treasury Investments:

Treasury Investment mainly cause for maintaining the Statutory Liquidity Ratio (SLR). SBL Treasury usually maintains its Investment portfolio mainly for maintaining SLR and to some extent for the prudent fund management. SBL Portfolio mostly containing of Government Treasury Bills (i.e. 91 Days, 182 Days & 364 Days) and Government Treasury Bonds (i.e. 2 Years, 5 Years, 10 Years, 15 Years and 20 Years) in our holding. At the end of year we also invested in Bangladesh Bank Bills to diversify our investment and also to take the privilege to maintain Statutory Liquidity Ratio (SLR). Our portfolio also reflects distribution of liquidity performance. At the end of year 2016, the size of Investment portfolio was Tk.2262.28 crore against Tk.1627.12 crore in the year 2015 showing an increase of 39.04%. Within the portfolio of 2016, 43.16% are in the HFT (Held for Trading) mode and the rest 56.84% are in the HTM (Held to Maturity) mode. Besides the investment of Government Treasury Bills/Bonds, SBL invested Tk.23.55 crore to the Fixed Rate Subordinated Bond of Dhaka Bank Limited, National Bank Limited, Trust Bank Limited Unsecured Subordinated Non-convertible Bond and First Bangladesh Fixed Income Fund.

Strategic Business Outlook

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 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.

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 2016. Standard Bank Limited has been consciously making this strategically important investments to provide much better customer service with a wide range of products that will definitely bring long term stable growth and a more inclusive banking for all.

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 roadmap 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.

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.

- 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.



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,
- Hiring the best talents in different arenas of banking,

- 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.

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 re-spect of expense management.

- 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.

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 & Operation Division (BMOD)

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

So far we have established 112 branches throughout the country spanning 41 districts. In opening branches we have tried to maintain effective balances between developed & developing area of the country. Therefore we have 69 nos. of Urban and 36 nos. of Rural branches and 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 bank started its operations 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	08	112

The Management has planned to expand bank's network by opening 10 (Ten) more new branches during the year 2017 at the important commercial hubs of the country.

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 Department 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 department is working relentlessly with a view to grow banking relationship with different Government & semi Government bodies, NGO's such as Titas Gas Transmission & Distribution Ltd, WASA, BTRC, DPDC, DECSCO, BTCL, PDB, REB, BSTI, RJSC, BGMEA, Parjatan Corporation, Passport office, Election Commission, Grameen Bank, PKSF, ICB, Petroleum Corporation, Petro Bangla, Municipal Development Fund, National Housing, House Building Finance, IDCOL, Padma Bridge Projects, Ministry of Industries, Ministry of Religious Affairs, Ministry of Health, Ministry of Manpower, Ministry of Education, Ministry of Commerce, Ministry of Food and Bangladesh Railway etc.

The department has been mobilizing collection accounts for receiving Utility Bills for individual households, commercial and Industrial sectors through offline & online by different branches of bank particularly in the commercial area of Dhaka, Narayangonj, Gazipur & Savar. Besides online Hajj fees collection through all branches is also remitted to Saudi Arab every year through Sonali Bank Limited. The department has successfully arranged agreement of E-Tendering program with CPTU, Ministry of Planning which has already 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 bill through online collection along

with BRTA vehicle, registration fees and charges and taxes. TITAS & REB bill collection through offline by our selected branches.

Recently the department arranged an agreement with US-Bangla Airlines and NOVOAIR for enjoying online ticket discount, travelling and various privileges of SBL of all zones 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. The department has already arranged School Banking initiatives of all branches as per instruction & guideline 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 give students banking service.

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.

We coordinate the following meeting over the year as under:

1. Town Hall Meeting
2. Annual Business Conference
3. Half Yearly Business Conference
4. Regional Meeting
5. Off & On Managers Meeting
6. Monthly Development Meeting
7. Special Meeting with Head Office Executives etc.

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 Radisson Hotel for Accommodation facility and services.
8. Agreement with HAAB for Hajj Fees collection through all Branches.
9. Agreement with BTCL for On-line collection of T&T Bills through all Branches.
10. Agreement for smooth airline services with US-Bangla Airlines for enjoying, travelling and various privileges of SBL valued client, honorable directors and employees.
11. Agreement for smooth airline services with NOVOAIR for enjoying, travelling and various privileges of SBL valued client, honorable directors and employees.

The following arrangements are under process:

1. Agreement for E- Passport fees collection is under process.
2. Agreement for collection of City Corporation's holding & other taxes is under process.
3. Agreement with Election Commission to verify the NID information of client from their database.
4. Agreement for collection of BSTI fees is under process.

Jobs performed at the department 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 Wing

For clients full satisfaction Vis-à-vis our sponsors' also, we have introduced Islamic Banking alongside our conventional Banking



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

including some eminent Islamic scholars of the country. We are doing our Islamic Banking activities as per Islamic Shariah.

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

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)
5. Quard against MTDR

Foreign Trade & Foreign Exchange:

1. Import
2. Export
3. Remittance

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

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

SBL Capital Management Limited (SCML)

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.

Public Issue Management.

Financial results of SBL Capital Management Ltd:

BDT in crore

Sl. No.	Particulars	2016	2015	Increase/(decrease) in percentage
1	Income	36.20	48.99	(26.11)
2	Expense	17.32	17.88	(3.13)
3	Operating Profit	18.88	31.11	(39.31)
4	Net profit before tax	6.45	19.70	(67.26)
5	Net profit after tax	1.69	12.49	(86.46)
6	Retained earnings	4.49	13.24	(66.09)
7	EPS (Tk.)	1.13	8.33	(86.43)
8	NAV (Tk.)	102.99	108.87	(5.40)

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



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 management of investment accounts.

Upto 31 December 2016, the company made total investment of Tk.255.80 crore against 1983 margin loan accounts. Besides, an amount of Tk. 180.32 crore has been invested for company's own portfolio, the market value of which stood at Tk. 123.85 crore as on 31 December 2016. The company provided underwriting assistance to the issues of shares of Tk. 63.67 crore to 9 (nine) companies.

We are in contact with other merchant bankers to work jointly as co-issue manager. We expect to enter into agreements with one or two companies within a short period of time regarding

Standard Bank Securities Limited

Standard Bank Securities Limited a wholly owned subsidiary of Standard Bank Limited, was incorporated as a Public Limited Company under the Companies Act, 1994 vide certificate of incorporation no. C-105752/12 dated 22 November 2012 and obtained its certificate for commencement of business dated 26 November 2012. Standard Bank Securities Limited is corporate TREC holder of Dhaka Stock Exchange Limited. The company started its commercial operation in the month of June 2013. The principal place of business is the Registered Office at 2 DIT Avenue (Ext.), Motijheel C/A, Dhaka-1000. The 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 provid-



ing a high level of professional and personalized services to its all clients. The company intends to offer high level of quality product and services at a competitive rate to all clients. It has proven reputation in serving customers by maintaining strong compliance practices and extreme ethical standard.

The number of clients of SBSL is more than thousand and it comprises of local individual & institutional investors. SBSL also acts as Agent Broker of SBL Capital Management Limited. During the year 2016, the company earned operating profit of taka 50.80 million as against taka 50.60 million in 2015. Total paid up capital of this company is taka 800 million.

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

Capital Adequacy

To manage the overall risk exposure of the bank, our primary focus has always been to reinforce our risk management policy with a strong internal control system. Our Capital Adequacy Ratio has remained consistently above the threshold (10% of RWA) of Minimum Capital requirement (Solo-11.54% Consolidated-11.38% as on 31 December 2016). To meet up the compliance of BASEL-III deadline, with consent of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, Standard Bank Limited is going to be issued "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT (BOND)" for 07 (seven) years where IDLC Capital Management Limited act as a "Trustee" for BDT 400.00 crore to meet up the Tier-II capital requirement of the Bank.

Branch Expansion And Business Diversification

The year 2016 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 multi-dimensional 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 2016, opened 8 (eight) new branches

including 4 (Four) Rural Branches with the total number of branches coming at 112 (one hundred twelve) out of which 19 branches are Authorized Dealer. These AD branches properly manned by highly dedicated professionals and dexterously supported by state-of-the-art technology, are capable of and adept in handling all types of foreign Exchange Business and transactions.

Our bank plans to open 10 (ten) new branches both urban (5) and rural (5) areas in the year 2017 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.



Standard Bank Limited inaugurates 109th branch at Goalanda



Standard Bank Limited inaugurates 108th branch at Chittagong University



Standard Bank Limited inaugurates 106th branch at Chuadanga



Standard Bank Limited inaugurates 107th branch at Hemayetpur



Standard Bank Limited inaugurates 110th Branch at Madhabdi



Standard Bank Limited inaugurates 105th branch at Sheikh Mujib Road Branch in Chittagong



Standard Bank Limited inaugurates 7th Agent Outlet at Kutubpur Bazar, Shibchar, Madaripur



Standard Bank Limited Training Institute shifted at Islam Chamber (12th Floor), 125/A Motijheel, Dhaka

Corporate Social Responsibility

This year Corporate Social Responsibility (CSR) activities of the Bank expenses to Taka 80.01 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 51.80 million in 2015 to reaffirm the commitments of the Bank towards society.

Appointment of Auditors

Our existing Auditors M/s. Shafiq Bashak & Co., Chartered Accountants has completed audit for the year ended 2016 as third year of their audit and as per Bangladesh Bank's BRPD Circular Letter No.12 dated 11 July 2001 and order of Bangladesh Securities and Exchange Commission dated July 08, 2015, they are not eligible for re-appointment for 2017. Accordingly, new Auditor of the Bank will be appointed and their remuneration will be fixed for the year 2017 by the Honorable Shareholders in this Annual General Meeting.

Board of Directors

The Board of the Bank consists of 15 Directors as on December 31, 2016 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. 19(nineteen) Board meetings held during the year 2016.



ment proposals and adopted policies and plans for smooth growth of business. The Board provided guidelines for technological development in consideration of requirement of time and to face the challenges and competitions. The Board also reviewed different policies & programs on monthly basis in order to establish effective risk management in credit and other key areas of operations and provides guidelines to the Management for upholding and protecting the interest of the Bank. In addition to business and financial issues, boards of directors deal with challenges and issues relating to 9 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 polity 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 2016 there were 4 (four) meetings held of the Executive Committee.



ii) Audit Committee

The Audit Committee constituted as under by the Board of Directors of the Bank in accordance with the BRPD circular letter no. 12 dated 23.12.2002 issued by Bangladesh Bank: The present Audit Committee of the Bank is comprised with 5(five) members. The Company Secretary of the Bank has been nominated as Secretary of the said Committee as per Bangladesh Bank Circular. During the year 2016, the Audit Committee conducted 7 (seven) meetings.



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.



Independent Director

To ensure good governance in the bank management and as per BSEC guidelines, the Board appointed 2 (two) Independent Directors whose are highly educated, esteemed professional with long experience in banking industry namely Mr. S.S. Nizamuddin Ahmed who has above 50 years of checkered career in banking arena and another Independent Director Mr. Najmul Huq Chaudhury who served as Managing Director of 02 (two) Joint Venture Companies for about 32 years and has practical experience in diverse business management. The Independent directors are also Chairman and member of the Audit Committee of the Board.

Management Committee (Mancom)

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

Directors' Honorarium

During the year an amount of Tk. 24,00,000 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/CM RRCD/2006-158/134 ADM IN/44 DATED 07 AUGUST, 2012

The pattern of shareholding position as on 31.12.2015

- i. Parent/Subsidiary/Associated Companies and other related parties: Nil
- ii. Shareholding position of Directors

Sl. No.	Name	Position	No. of Shares	(%) of shareholding
1	Mr. Kazi Akram Uddin Ahmed	Chairman	15,440,839	2.35%
2	Mr. S. A. M. Hossain	Director	17,856,377	2.72%
3	Mr. Kamal Mostafa Chowdhury	Director	15,820,108	2.41%

Sl. No.	Name	Position	No. of Shares	(%) of shareholding
4	Mr. Ashok Kumar Shaha	Director	13,180,140	2.01%
5	Mr. Md. Monzurul Alam	Director	13,115,620	2%
6	Mr. Ferozur Rahman	Vice Chairman	13,587,084	2.07%
7	Mr. Mohammed Abdul Aziz	Director	18,560,827	2.83%
8	Al-Haj Mohammed Shamsul Alam	Director	17,099,775	2.61%
9	Mr. Gulzar Ahmed	Director	13,128,112	2%
10	Mr. Md. Zahedul Hoque	Director	14,963,038	2.28%
11	Al-Haj Mohd. Yousuf Chowdhury	Director	13,115,071	2%
12	Investment Corporation of Bangla-desh represented by its Managing Director	Director	16,975,716	2.59%
13	Mr. S. S. Nizamuddin Ahmed	Independent Direc-tor	198,660	0.03%
14	Mr. Najmul Huq Chaudhury	Independent Direc-tor	0	0%
15	Mr. Mamun-Ur-Rashid, Managing Director	Ex-Officio Director	0	0%

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	Shareholding
Sl.	Name	Designation	Shareholding
1.	Mr. Mamun-Ur-Rashid	MD & CEO	Nil
2.	Mr. Md. Motaleb Hossain	DMD	Nil
3.	Mr. A.F.M. Jamal Uddin	SEVP	16,431
4.	Mr. Mohammad Ali	SEVP	46,399
5.	Ms. Haider Nurun Naher	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 2016 total 19 meetings were held.

As per compliance of Section 1, 5 (XX) of Bangladesh Securities and Exchange Commission (BSEC) notification No. BSEC/CMR-RCD/2006-158/134 Admin/44 dated 07 August, 2012 the attendance record of Directors in 2016 are as follows:

Sl. No.	Name	Designation	No. of Meetings Held	Present	Absent	Remuneration/ Meetings	Remuneration Drawn
1	Mr. Kazi Akram Uddin Ahmed	Chairman	19	19	0	8000 X19	1,52,000
2	Mr. S.A.M. Hossain	Vice-Chairman	19	18	1	8000 X18	1,44,000
3	Mr. Ferozur Rahman	Director	19	18	1	8000 X18	1,44,000
4	Mr. Kamal Mostafa Chowdhury	Director	19	19	0	8000 X19	1,52,000

Sl. No.	Name	Designation	No. of Meetings Held	Present	Absent	Remuneration/ Meetings	Remuneration Drawn
5	Mr. Ashok Kumar Saha	Director	19	13	6	8000 X13	1,04,000
6	Mr. Md. Monzurul Alam	Director	19	4	15	8000 X4	32,000
7	Mr. Mohammed Abdul Aziz	Director	19	17	2	8000 X17	1,36,000
8	Al-haj Mohammed Shamsul Alam	Director	19	18	1	8000 X18	1,44,000
9	Mr. Gulzar Ahmed	Director	19	13	6	8000 X13	1,04,000
10	Mr. Md. Zahedul Hoque	Director	19	16	3	8000 X16	1,28,000
11	Al-haj Mohd. Yousuf Chowdhury	Director	19	11	8	8000 X11	88,000
12	Mr. Md. Iftikhar-uz-Zaman	Director	19	15	4	8000 X15	1,20,000
13	Mr. S.S. Nizamuddin Ahmed	Ind. Director	19	15	4	8000 X15	1,20,000
14	Mr. Najmul Huq Chaudhury	Ind. Director	19	18	1	8000 X18	1,44,000
15	Mr. Mamun-Ur-Rashid, MD*	Ex-Officio Director	19	19	0	N/A	N/A

* Appointed as Managing Director on 01.10.2016

Audit Committee Meeting 2016

Sl. No.	Name	Designation	No. of Meetings Held	Present	Absent	Remuneration/ Meetings	Remuneration Drawn
1	Mr. S.S. Nizamuddin Ahmed	Chairman	7	7	0	8000 X7	56,000
2	Mr. Kamal Mostafa Chowdhury	Member	7	7	0	8000 X7	56,000
3	Mr. Md. Zahedul Hoque	Member	7	5	2	8000 X5	40,000
4	Mr. Md. Iftikhar-uz-Zaman	Member	7	6	1	8000 X6	48,000
5	Mr. Najmul Huq Chaudhury	Member	7	7	0	8000 X7	56,000

Executive Committee Meeting 2016

Sl. No.	Name	Designation	No. of Meetings Held	Present	Absent	Remuneration/ Meetings	Remuneration Drawn
1	Mr. Gulzar Ahmed	Chairman	4	4	0	8000 X4	32,000
2	Mr. Ferozur Rahman	Member	4	4	0	8000 X4	32,000
3	Mr. Ashok Kumar Saha	Member	4	1	3	8000 X1	8,000
4	Mr. S.A.M. Hossain	Member	4	4	0	8000 X4	32,000
5	Mr. Mohammed Abdul Aziz	Member	4	4	0	8000 X4	32,000
6	Al-haj Mohammed Shamsul Alam	Member	4	4	0	8000 X4	32,000
7	Al-haj Mohd. Yousuf Chowdhury	Member	4	1	3	8000 X1	8,000

Risk Management Committee 2016

Sl. No.	Name	Designation	No. of Meetings Held	Present	Absent	Remuneration/ Meetings	Remuneration Drawn
1	Mr. Kazi Akram Uddin Ahmed	Chairman	4	4	0	8000 X4	32,000
2	Mr. Md. Monzurul Alam	Member	4	0	4	8000 X0	0
3	Mr. S.A.M. Hossain	Member	4	4	0	8000 X4	32,000
4	Mr. Mohammed Abdul Aziz	Member	4	4	0	8000 X4	32,000
5	Al-haj Mohd. Yousuf Chowdhury	Member	4	3	1	8000 X3	24,000

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:

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

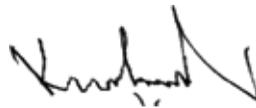
The Board expresses gratitude to the Almighty Allah for the success of the Bank in 2016. The Board extends thanks to the valued customers, patrons and well-wishers for their continued support and co-operation to the Bank. The Board also appreciates the dedicated services of the Senior Management Team, 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 Shafiq Basak & 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

REPORT ON 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 businesses 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.

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.



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.

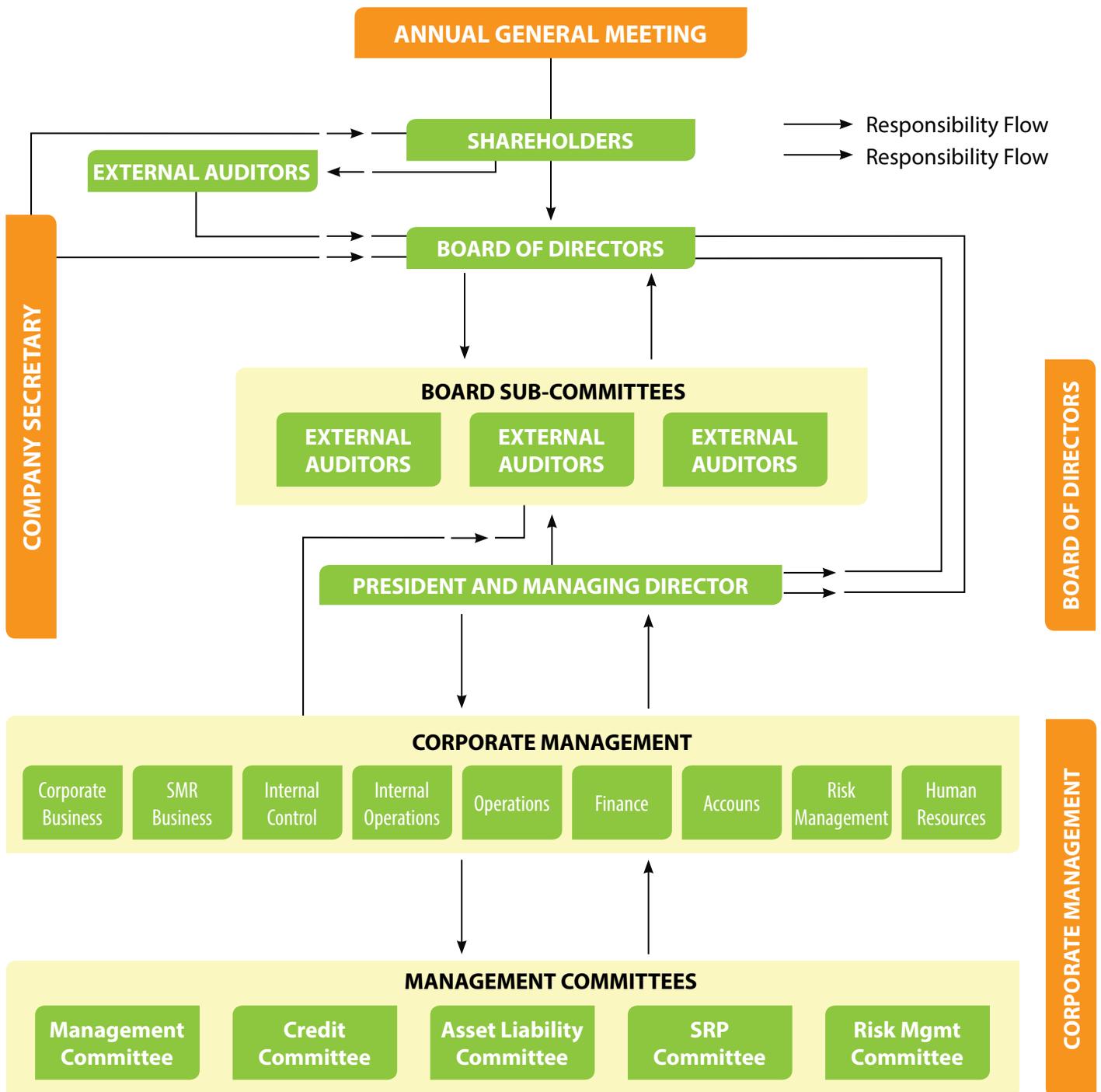
The Company's Board of Directors are responsible for proper governance, which includes setting out the Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to shareholders on their stewardship. The Board is collectively 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 considers that its corporate governance practices comply with all the aspects of the revised Corporate Governance Guideline (CGG) Notification No. SEC/CM-MRRCD/2006-158/Admin/44, dated August 07, 2012, 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.

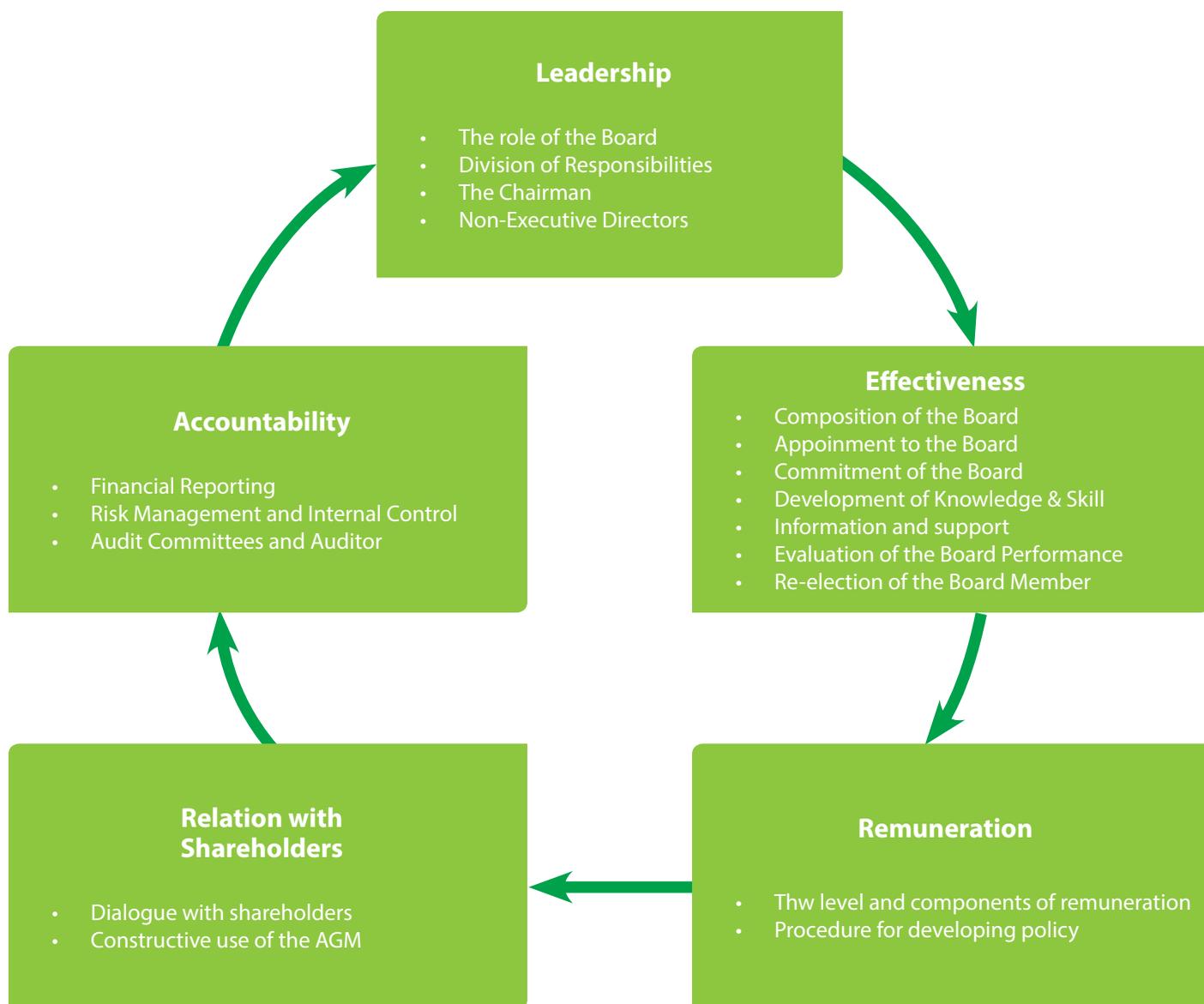


The Board duly complies with the guidelines issued by the Bangladesh Bank regarding the responsibility and accountability of the Board, its Chairman and Chief Executive/Managing Director, vide BRPD Circular No.11 dated October 27, 2013.

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:



Standard Bank Principles for Good 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.
Non-executive directors	As part of their role as members of a unitary board, nonexecutive 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.
	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.

Principles	Practices
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.
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.
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.

Principles	Practices
Remuneration	
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.
	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.
Constructive use of the AGM	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 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.

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, two (02) Directors out of the total fourteen (14) Directors are independent, having no share or interest in SBL. 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. Accordingly following Directors was retired at the 17th AGM and they are

eligible for re-election:

1. Mr. Kamal Mostafa Chowdhury
2. Mr. Al-haj Mohammed Shamsul Alam
3. Mr. Gulzar Ahmed
4. Mr. Md. Zahedul Hoque
5. Mr. Al-haj Mohd. Yousuf Chowdhury

Independent Director

As per Bank Companies Act (Amended) 1991 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. SEC/CMR-RCD/2006-158/134/Admin/44 dated August 07, 2012, Board of SBL nominated two independent directors (almost 1/5th of total number of Directors) so that the Board contains core skills considered appropriate in the framework of the company. The two independent directors are Mr. S. S. Nizamuddin Ahmed and Mr. Najmul Huq Chowdhury. 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.

Code of Conduct for the Board of Directors

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.

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 attended 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.

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 is 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.

Knowledge and Expertise in Finance and Accounting

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. 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.

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.

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.



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 2 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.

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 co-operate 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

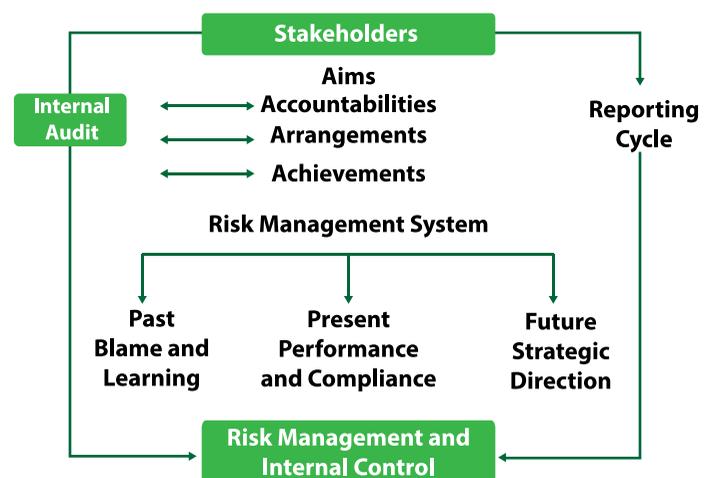
- To review, and challenge where necessary, the actions, estimates and judgments of management (and any changes in them), in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
 - 1) Significant accounting policies and practices, and 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.

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

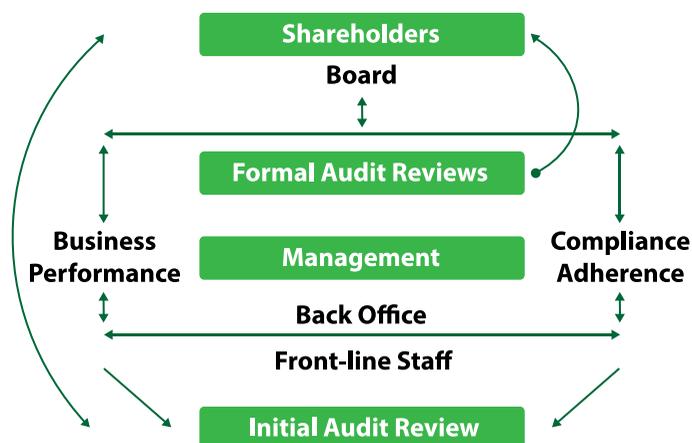
- Review reports prepared by the external auditor as the Audit Committee shall require, considering management’s response to any major external audit recommendations
- Review annually and report to the Board on the qualification, expertise and resources, and independence of the external auditors and 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 Au-

dit 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 2016.

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 lay emphasis 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 work

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 recom-

mends 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 un-audited 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

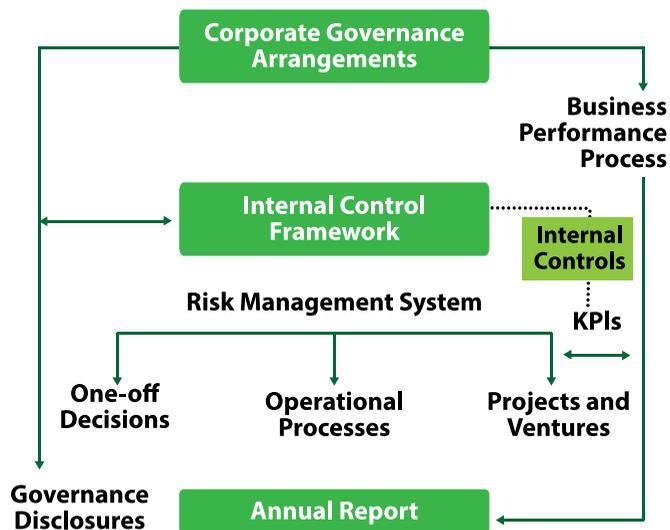
Management oversight and the control culture

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 Managing Director, Deputy Managing Directors and other Heads of Division 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. In 2016, total 02 meetings were held by the Management Committee.

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.

Ensuring horizontal and vertical 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.

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 commu-

nication 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.

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 2016, 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 07 August 2012, the Audit Committee (AC) of the Board of Directors of Standard Bank Limited (SBL) was formed by the Board to provide independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing rules and laws etc. Following are the major objectives of the 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 214th meeting held on 04.10.2013 consisting of four (04) members. Further the Board in its 232nd Meeting held on 26.01.2015 approved exclusion of Mr. Ashok Kumar Saha & inclusion of Mr. Kamal Mostafa Chowdhury and Mr. Najmul huq Chowdhury as member in existing Audit Committee. Thus the Member of Audit Committee stands as follows:

SL No	Name	Status with the Bank	Status with the Committee	Educational Qualification	Meeting/ Attendance
01	Mr. S. S. Nizamuddin Ahmed	Independent Director	Chairman	M.Com	7/7
02	Mr. Kamal Mostafa Chowdhury	Director	Member	B.A(Hon's)	7/7
03	Mr. Md. Zahedul Hoque	Director	Member	MBA	7/5
04	Mr. Najmul Huq Chaudhury	Independent Director	Member	M.Com	7/7
05	ICB Represented by its MD Mr. Md. Iftikhar-Uz-Zaman	Director	Member	B.A(Hon's), M.A.	7/6
06	Mr. Md. Ali Reza	Acting Company Secretary	Member Secretary	MBA, FCMA	7/7

Meetings of the Audit Committee

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of SBL held 07 (Seven) meetings in the year 2016 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	70th Audit Committee Meeting	19 January, 2016
02	71st Audit Committee Meeting	27 March, 2016
03	72nd Audit Committee Meeting	25 April, 2016
04	73rd Audit Committee Meeting	04 June, 2016
05	74th Audit Committee Meeting	27 July, 2016
06	75th Audit Committee Meeting	28 August, 2016
07	76th Audit Committee Meeting	27 October, 2016

Major areas focused by Audit Committee in 2016

The major issues, amongst others, were reviewed and discussed by the Audit Committee of the Bank during the year 2016 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 2017' and 'Risk Based Audit Plan 2017' 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 2015 & 2016.
- Review of the audit ratings of all branches and departments for the year 2016.
- 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 2016 as certified by the external auditors, Shafiq Basak & Co, Chartered

Accountants, before submission to the Board of directors for approval.

- Review of Bangladesh Bank's BRPD Circular No. 4 dated 23 February 2015 on the Rules and Regulations in making transactions with people related with Board and Management of the Bank.
- Review of Corporate Governance Compliance Report of SBL for the year ended 31 December 2015 as submitted by Ahmad & Akhtar, Chartered Accountants.
- Review of the Management Report on the Bank for the year ended 31 December 2015 as submitted by the External Auditors and subsequent compliance by the management thereof.
- Review of the First Quarter (Q1), half-yearly, Third Quarter (Q3) & Annual Financial Statements (Un-Audited) for the year 2016 before submission to the Board of Directors for approval in compliance with the BSEC's Corporate Governance Guidelines 2012.
- Review of the Bangladesh Bank Comprehensive Inspection Report on SBL Head Office as on 31 December 2015 and subsequent compliance by the management thereof.
- Review of AML rating of all Branches for the year 2015.
- Review of compliance and related risk level of Branches, various Departments and Subsidiaries.
- Review of Annual Report on the Financial Health of the Bank, 2015.

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, IAS and BFRS. 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 2016, 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 2016 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 218th Board meeting held on 09.01.2014 and further included 02 (two) new members by its 237th meeting held on 16.06.2015 for the term of 03 years.

SL No	Name	Status with the Bank	Status with the Committee	Meeting/ Attendance
01	Mr. Kazi Akramuddin Ahmed	Chairman	Chairman	4/4
02	Mr. S.A.M. Hossain	Vice-Chairman	Member	4/4
03	Mr. Monzurul Alam	Director	Member	0/4
04	Mr. Mohammed Abdul Aziz	Director	Member	4/4
05	Mr. Al-haj Mohd. Yousuf Chowdhury	Director	Member	3/4
06	Mr. Mamun-Ur-Rashid	Managing Director	Ex-officio Member	4/4
07	Mr. Md. Ali Reza FCMA	CFO and Acting Board Secretary	Secretary	4/4

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

- i. To formulate and implement of appropriate for risk assessment and its control
- ii. To monitor risk management policies & methods and amend it if necessary
- iii. To review the risk management process to ensure effective prevention and control measures

2) Construction of organizational structure

- i. To ensure an adequate organizational structure for managing risk within the bank.
- ii. To supervise formation of separate management level committees
- iii. To monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction

risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.

3) Analysis and approval of Risk Management policy

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

4) Storage of data & Reporting system

- i. To approve adequate record keeping and reporting system developed by the bank management.
- ii. To ensure proper use of the system (record keeping & reporting system).
- iii. Minutes its proposal, suggestions & summary and inform it to the Board of Directors.

5) Monitoring the implementation of overall Risk Management Policy

- i. 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 2016:

During the year 2016, 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. Implementation progress of Capital to Risk Weighted Assets Ratio (CRAR) under Basel-III.
2. Implementation status of Supervisory Review Process (SRP) under BASEL –III of the Bank.

3. Comprehensive Risk Management Rating by Bangladesh Bank.
4. Summary of 'Comprehensive Risk Management Report' of the Bank based on 31.12.2015.
5. Present Status of Capital to Risk Weighted Assets Ratio (CRAR) of our Bank under Basel-III.
6. Implementation status of Supervisory Review Process (SRP) of our Bank under BASEL-III.
7. Compliance Status of DOS Circular Letter No.13 dated September 9, 2015 for strengthening and updating the Risk Management System in our Bank
8. Summary of 'Comprehensive Risk Management Report' of our Bank based on 30.06.2016.
9. Risk Based Capital Adequacy of our Bank under Basel-III as on 30.09.2016.
10. Status of Supervisory Review Process (SRP) of our Bank under BASEL-III.
11. Summary of 'Risk Management Report' of our Bank based on 30.09.2016.
12. Advised the management to improve asset quality by taking pragmatic steps. A balance between the growths of asset and capital be maintained to improve the CRAR.
13. Periodically reviewed the duration gaps of Bank's assets and liabilities and advised the management for their prudent management.
14. Advised the management to obtain additional securities from the large borrowers on best effort basis to reduce charge on Bank's capital.
15. Advised for diversification of Bank's loan portfolio as far as possible and practicable.
16. Advised the management to persuade the existing good corporate and SME borrowers for their credit rating to reduce charge on Bank's capital.
17. Effective measures be geared up for recovery of Bank's dues from the top-20 defaulters.
18. Loans to RMG and Textile sectors be regularly monitored to keep them within the sectoral allocation.
19. The management was advised to create new quality assets for continuity of Bank's profitability.
20. The large loans of the Bank be closely and regularly monitored to ensure that they continue to be performing.
21. 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.
22. Reviewed Stress Testing reports and endorsed the same for onward submission to the Bangladesh Bank.
23. Summary of 'Risk Management Report' of our Bank based on 30.11.2016.
24. Draft Manual of Internal Capital Adequacy Assessment Process (ICAAP) of SBL for Supervisory Review Process (SRP) under Basel-III Accords.
25. Draft Comprehensive Risk Management Guidelines of SBL.

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.

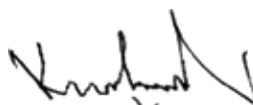
Meetings of the Risk Management Committee of the Board:

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 2016. Meeting dates are as follows:

SL No	Meetings	Date of Meeting
01	5th Risk Management Committee Meeting-2016	18.05.2016
02	6th Risk Management Committee Meeting-2016	27.09.2016
03	7th Risk Management Committee Meeting-2016	30.10.2015
04	8th Risk Management Committee Meeting-2016	12.12.2016

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 Akramuddin 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 112 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 Ahmed	Chairman	Honorable Chairman, Standard Bank Ltd.
2	Janab Hafiz Kazi Muhammad Ibrahim	Member	Head Mohaddis, Hadis Department, Jameah Qasemih Kamil (MA) Madrasa. Gabtauli, Narsinghdi.
3	Janab Kazi Khurram Ahmed	Member	Honorary Consul of Gambia in Dhaka, Bangladesh Chairman & Managing Director, EMX Limited
4	Janab Dr. Muhammad Saifullah	Member	Islamic Scholar & Associate Professor, Dept. of Islamic Studies, Asian University of Bangladesh
5	Janab Md. Ali Reza	Member Secretary	CFO & 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:

1. Review of Financial Performance of Islami Banking Wings
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.

As on December 31, 2016, the deposit and investment of Islamic Banking wings were BDT 301.76 million and BDT 95.70 million. Net profit of the windows stood at BDT 1.72 million in 2016 from BDT 0.97 million in 2015 registering a remarkable growth of 77.69%. The Non Performing Investment of Islamic Banking wings stood at 0.70 percent of their total investment in 2016. The performance of the Islamic Banking wings during the year 2016 is furnished in detail under the Islami Banking Wing Financial Information section of the Annual Report.

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	
	b. Declaration of nominated person	
	c. Declaration for confidentiality by the nominated person	
	d. In case of independent director, the approval letter from BSEC	
	e. CIB report of the nominated person	
	f. Updated list of Directors	
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

Sl. No.	Particulars	Compliance Status
(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.	
(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

Sl. No.	Particulars	Compliance Status
(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.	
(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.

Sl. No.	Particulars	Compliance Status
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: a) He has not been convicted by any Criminal Court of Law. b) He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority. c) He was not associated with any such company/organization; registration or license of which has been cancelled.	Complied
2	Experience and Suitability: a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the CEO of a bank. b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) In respect of service, the concerned person should have excellent track record of performance. c) 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	Transparency and financial integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that: a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession. b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter. c. He is not a tax defaulter. d. He has never been adjudicated a bankrupt by the Court.	Complied
4	Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied
5	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.	Complied
6	Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB: 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.	Complied

Sl. No.	Particulars	Compliance Status
	<p>b. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c. Without improving the bank's major financial indicator like- CAMELS, annual salary increment will not be payable.</p> <p>d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.</p> <p>e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p>	Complied
7	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.	Complied
8	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.	Complied
9	Evaluation Report: For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to BB.	Complied
10	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.	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:	Complied
	a. In terms of the financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the BoD or any other Committee (s) engaged by the BoD.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	Complied
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the BoD.	Complied

Sl. No.	Particulars	Compliance Status
	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

Sl. No.	Particulars	Compliance Status
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 Ex-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 GUIDELINES FOR CORPORATE GOVERNANCE: OUR COMPLIANCE STATUS

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969):

Sl. No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1	Board of Directors (BoD)			
1.1	Board's size shall not be less than 5 (five) and more than 20 (twenty) members	√		
1.2	Independent Director:			
1.2 (i)	At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors		√	As on 31.12.2016, the Board of Directors consists of 16 (sixteen) members including 02 (two) Independent Directors, which is in conformity with the Bank Company (Amendment) Act, 2013 [Section 15(9)]
1.2 (ii)	Independent Director means a Director			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one (1%) percent shares of the total paid-up shares of the company	√		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid up shares of the company on the basis of family relationship. His/ Her family members also should not hold above mentioned shares in the company.	√		

Sl. No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1.2 (ii) (d)	Who are not the members, Directors or officers of any Stock Exchange(s).	√		
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any member of Stock Exchange or an Intermediary of the capital market.	√		
1.2 (ii) (f)	Who is/was not a partner or an executive during the preceding 3 (three) years of concerned company's statutory audit firm.	√		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed companies.	√		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non bank financial institution (NBFI).			N/A
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude.			N/A
1.2 (iii)	Independent Director (s) shall be appointed by the Board of Directors (BoD) and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of Independent Director(s) can not remain vacant for more than 90 days.	√		
1.2 (v)	The Board shall lay down a Code of conduct for all Board members and annual compliance of the Code to be recorded.	√		
1.2 (vi)	Tenure of office Independent Director (ID) shall be for a period of 3 years , may be extended for 1(one) term only.	√		
1.3	Qualification of Independent Director (ID):			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity and able to ensure compliance with financial, regulatory and corporate law and required compliance.	√		
1.3 (ii)	Independent Director should be Business Leader/Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background / Professionals (like CA, CMA,CS) and must have at least 12 years of corporate management/professional experiences.	√		
1.3 (iii)	In special cases qualifications of Independent Director may be relaxed subject to prior approval of Security Exchange Commission (SEC).			N/A
1.4	Individual Chairman & Chief Executive Office (CEO):			

Sl. No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1.5	The director's report shall include the following additional statements			
1.5 (i)	Industry outlook and possible future development in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risk and concerns	√		
1.5 (iv)	A discussion on cost of goods sold, Gross profit margin and net profit margin.	√		Information relevant to the Banking Industry are provided
1.5 (v)	Discussion on Continuity of any extraordinary gain or loss.			N/A
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any other instrument.			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO)			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			N/A
1.5 (x)	Remuneration of Directors including Independent Directors.	√		
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flow and changes in equity	√		
1.5 (xii)	Maintenance of proper books of account by the company.	√		
1.5 (xiii)	Adaptation of appropriate accounting policies and estimates	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been followed in adequate disclosure for any departure	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	Going Concern (ability to continue as going concern)	√		
1.5 (xvii)	Highlight and explain significant deviations from the last year's operating result	√		
1.5 (xviii)	Key operating and financial data at least preceding 5 (five) years shall be summarised	√		
1.5 (xix)	Reason for non declaration of dividend			N/A

Sl. No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1.5 (xxi)	Pattern of shareholding and name wise details (disclosing aggregate number of shares)			
1.5 (xxi) (a)	Parent/Subsidiary/Associated companies and other related parties	√		
1.5 (xxi) (b)	Directors, Chief Executive Officer (CEO), Chief Financial Office (CFO), Company Secretary (CS), Head of Internal Audit (HIA) and their spouses and minor children	√		
1.5 (xxi)(c)	Executives	√		
1.5 (xxi) (d)	Shareholders holding of 10 % or more voting interest in the company	√		
1.5 (xxii)	In case appointment/re-appointment of director, disclose:			
1.5 (xxii) (a)	A brief resume of director	√		
1.5 (xxii) (b)	Nature of the propose Directors' expertise in specific functional areas.	√		
1.5 (xxii) (c)	Name of companies in which the person also held the directorship and membership of committees of the board	√		
2	Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HIA):			
2.1	Chief Financial Office (CFO), Company Secretary (CS) and Head of Internal Audit (HIA) and defining their respective roles, responsibilities and duties.	√		
2.1	Appointment of Company Secretary & Head of Internal Audit and defining of their roles, responsibilities and duties.	√		
2.2	Chief Financial Officer (CFO)& Company Secretary (CS) shall attend the meeting of Board of Directors.	√		
3	Audit Committee (AC):			
3(i)	Audit Committee shall be a subcommittee of the Board of Directors (BoD)	√		
3(ii)	Audit Committee shall assist the Board of Director (BoD)s in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a monitoring system within the business.	√		
3(iii)	Audit Committee shall be responsible to the Board of Directors (BoD) and the duties of the Committee clearly defined in writing.	√		
3.1	Constitution of Audit Committee:			
3.1(i)	The Audit Committee shall be composed of at least 3 members.	√		

Sl. No.	Title	Compliance Status		Remarks
		Complied	Not complied	
3.1(iii)	All members of Audit Committee should be "Financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	√		
3.1(v)	Company Secretary (CS) shall act as the Secretary of the Committee.	√		
3.1(vi)	The quorum of Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	√		
3.2	Chairman of the Audit Committee			
3.2(i)	Chairman of the Audit Committee shall be an Independent Director (ID).	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee:			
3.3 (i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor Choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk Management Process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the Board for approval.	√		
3.3(vi)	Review the the quarterly , half yearly and annual financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review significant of significant related party transactions submitted by the management.	√		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by the statutory auditors.	√		
3.3(x)	Disclosure to the Audit Committee about the uses/application of Initial Public offering (IPO)funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further on an annual basis, shall prepare a statement of funds utilized for the purpose other than those stated in the prospectus		N/A	

Sl. No.	Title	Compliance Status		Remarks
		Complied	Not complied	
3.4.1	Reporting to the Board of Directors	√		
3.4.1(i)	Reporting to the Board of Directors (BoD) on the activities of Audit Committee	√		
3.4.1(ii) (a)	Report on conflict of interest		N/A	
3.4.1(ii) (b)	Reporting to the Board of Director (BoD) on any fraud or irregularity or material defect in the internal control system		N/A	
3.4.1(ii) (c)	Reporting to the Board of Director (BoD) on suspected infringement of laws		N/A	
3.4.1(ii) (d)	Reporting the Board of Director on any other matter		N/A	
3.4.2	Reporting of anything having material financial impact to the Commission.		N/A	
3.5	Reporting of activities of the Audit committee to the Shareholders and General investors.		N/A	
4	Engagement of External Auditors (EA):			
4.00(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
4.00(ii)	Non-engagement in designing and implementation of Financial Information System	√		
4.00(iii)	Non-engagement in Bookkeeping or other services related to the accounting records or financial statements	√		
4.00(iv)	Non-engagement in Broker/ dealer services	√		
4.00(v)	Non-engagement in acturial Services	√		
4.00(vi)	Non-engagement in Internal Audit services	√		
4.00(vii)	Non-engagement in any other services that the Audit Committee determines	√		
4.00(viii)	No partner or employees of its external audit firms shall possess any share during the tenure of their audit assignment	√		
4.00 (ix)	Audit / Certification services on compliance of corporate governance as required under clause (i) of condition No.7	√		
5	Subsidiary Company			
5.00(i)	Provisions relating to the coposition of the Board of Directors (BoD) of the holding company shall be made applicable to the composition of the Board of Directors (BoD) of the subsidiary company	√		
5.00(ii)	At least 1 (one) Independent Director on the Board of Directors (BoD) of the holding company shall be a Director in the Board of Directors (BoD) the subsidiary company.	√		

Sl. No.	Title	Compliance Status		Remarks
		Complied	Not complied	
5(iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company also	√		
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
6(i)	The 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	√		
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6(ii)	There are, to the best knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7	Reporting and Compliance of Corporate Governance Guidelines:			
7(i)	Obtaining certificate from a Professional Accountant/Secretary (CA, CMA or CS) regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
7(ii)	Directors statement in the director's report whether the company has complied with these conditions	√		

**Morison KSI**

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Web : www.morisonksi.com

**AHMED ZAKER & CO.****Chartered Accountants**

(A Member Firm of Morison KSI)
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89, Kakrail, Dhaka-1000, Bangladesh.

Since-1979**Corporate Head Office :**

Telephone : 88-2-8300504-8
Fax : 88-2-8300509
E-mail : azcbangladesh@gmail.com
Web : www.ahmed-zaker.com

Certificate on Compliance of Conditions of Corporate Governance

To the Shareholders of Standard Bank Limited

We have examined the compliance with corporate Governance of **Standard Bank Limited** for the year ended 31 December, 2016 as stipulated in notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 under section 2CC of the Securities & Exchange Ordinance 1969.

The compliance with the said conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission (BSEC) and reporting the status thereof is the responsibility of the management of the Company. Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Company.

To the best of our information and according to the explanations given to us we certify that **Standard Bank Limited** has complied with the Conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

Dhaka,
March 23, 2017



AKM Mohitul Haq, FCA
Senior Partner
Ahmed Zaker & Co.
Chartered Accountants

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

The Board of Directors is appointed to act for and on the financial statements of the Standard Bank Limited drawn up as at 31 December 2016. These statements prepared under the historical cost convention and in accordance with the First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws and rules applicable in Bangladesh. The Accounting Policies used in the preparation of the financial statements are appropriate and are consistently applied by the Bank (material departures, if any, have been disclosed and explained in the notes to the financial statements). There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation. The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our external auditors and the audit committee. The Board of Directors and the Management of the bank accept responsibility for the integrity and objectivity of these financial statements. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant areas where estimates and judgments have been made are on provision for loans and advances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Our internal auditors have con-

ducted periodic audits to provide reasonable assurance that the established policies and procedures of the bank were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting. The financial statements of the bank were audited by M/S Shafiq Bashak & Co, Chartered Accountants, and their report is given on the Annual Report. The Audit Committee of the bank meets periodically with the internal audit team to review their audit plans, assess the manner in which these auditors are performing their responsibilities and to discuss their reports on internal controls and financial reporting issues. To ensure complete independence, the external auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance. In above consequence, We have reviewed the financial statements of the bank for the year ended 2015 and to the best of our knowledge and belief that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Md. Ali Reza
Chief Financial Officer



Mamun Ur Rashid
Managing Director & CEO

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. Motaleb Hossain, DMD	Chairman
2	Head of Credit Division-1	Member
3	Head of Credit Division-2	Member
4	Head of International Division (ID)	Member
5	Chief Financial Officer (CFO)	Member
6	Head of SME	Member
7	Head of Rural & Agri Credit	Member
8	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. 50.00 Lac 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. 50.00 Lac 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 HUMAN RESOURCES & REMUNERATION COMMITTEE

Compensation Review Committee-2016

To make compensation package time proven and attuned to pay packages offered by different banks of our generation, 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 revise of 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, following Compensation Review Committee-2016 was formed:

Sl.	Name	Designation	Remarks
1	Mr. Mamun-Ur-Rashid	MD & CEO	Chairman
2	Mr. Md. Motaleb Hossain	DMD	Member
3	Mr. Md. Zahangir Alam	VP & Head of FAD	Member Secretary
4	Mr. Md. Ali Reza	VP & CFO	Member
5	Mr. Syed Mosnoon Ali	VP & Head of HRD	Member

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.

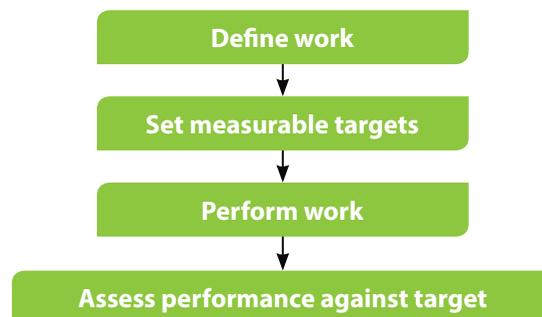
Benefits and Other Facilities:

SBL is always keen to provide substantial fringe benefits and other allowances to retain its skilled and motivated employees. Employees of SBL are enjoying the following benefits and facilities:

- House Rent Allowance
- House Maintenance Allowance
- Conveyance Allowance for Non Executives
- Medical Allowance
- Provident Fund
- Welfare Fund
- Gratuity
- Consumer Credit Schemes (Staff) at concessional interest rates

- Staff House Building Loans at concessional interest rates
- Major surgical (Medical) treatment expenses borne by the bank
- Incentive Bonuses
- Festival Bonuses
- Boishakhi Allowances
- Extra Allowance
- Car Maintenance Allowances for Executives
- Car Loan for Executives
- Maternity Benefits for Employees
- Leave Encashment
- Leave Fare Compensation
- Charge Allowance for Branch Managers
- Risk Allowances for Officers of Cash Department
- Honorarium for passing Banking Diploma
- Crest, Certificate and Cash Incentives for Performing Employees
- Arranging Foreign Training for Employees.

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 2016, total number of promoted employees of SBL to next higher grade is 316 which is ever higher as compared to previous years. Besides, SBL, in recognition of outstanding performance, appreciates employees in the form of special promotion 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 132321 Million to BDT 152789 Million, achieving a growth of 15.47% over last year. The Bank achieved 15% growth in investment with a total investment portfolio of Tk. 105,039 million in 2016 compared to Tk. 91,486 million in 2015. Import business of the Bank stood at Tk. 55,684 million in 2016 with 8% growth over the previous year Tk. 51,491 million, while Export business of the Bank stood at Tk. 38506 million in 2016 which is declined 11% than that of previous year Tk. 38,747 million. Consolidated Operating Revenue for the year 2016 amounted to BDT 6,102 Million which is 4.17% higher than last year's BDT 5,858 Million. Although all through the year 2016 the interest rate was in a declining state, the Net Interest of Standard Bank Ltd. grow by 20% over last year. Consolidated Net Interest for the year 2016 amounted to BDT 3,317 Million compared to BDT 2,766 Million of 2015.

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 2016 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 increase by 32% in 2016 compared to 2015; BDT 2,882 Million as against BDT 2,185 Million of previous year. Net Operating Cash Flow after changes in operating assets and liabilities shows impressive growth net inflow of BDT 298 Million which was BDT -3,354 million in previous year.

Business Expansion

SBL has expanded its segment geographically by opening new branches in different places considering the economic significance. In 2016 Standard Bank Ltd. opened 08 new branches and initiatives

have been taken to open 10 new branches in 2017 at different places in Bangladesh and 01 overseas branch at Jeddah in KSA. As on 31 December 2015 Standard Bank Ltd. has 104 Branches and 07 SME Branch. Standard Bank Ltd. give 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 2016, Loans and Advances has increased by 15% and Term Deposit has increased by nearly 15% compared to that of 2015. 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 percent of its Risk Weighted Asset. SBL maintains its capital well above the threshold level consistently even though growth of RWA is significant. As on 31 December 2016 Consolidated Capital Adequacy Ratio (CAR) of Standard Bank Ltd. is 11.38 %. To meet up the compliance of BASEL-III deadline, Standard Bank Limited is going to be issued another "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT" for 07(Seven) years for BDT 400.00 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 2016 with "AA" in the long term and ST-2 for the Short Term based on audited financial statements of FY2015 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 an 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 behavior 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.

CHIEF RISK OFFICER'S REPORT ON RISK MANAGEMENT



Risk Management Function

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.

The independent risk management function is a key component of the bank's second line of defence. This function is responsible for overseeing risk-taking activities across the Bank and should have authority within the organisation to do so. Key activities of the risk management function should include:

- The individuals who take or manage risks clearly understand it;
- The organization's risk exposure is within the limits established by the board;
- Risk taking decisions are explicit and clear;
- Risk taking decisions are in line with the business strategy and objectives set by the board;
- The expected payoffs compensate for the risks taken; and
- Sufficient capital as a buffer is available to take risk.

While it is common for risk managers to work closely with in-

dividual business units, the risk management function should be sufficiently independent of the business units and should not be involved in revenue generation. Such independence is an essential component of an effective risk management function, as is having access to all business lines that have the potential to generate material risk to the bank as well as to relevant risk-bearing subsidiaries and affiliates.

The risk management function should have a sufficient number of employees who possess the requisite experience and qualifications, including market and product knowledge as well as command of risk disciplines. Staff should have access to regular training.

Role of the CRO

Chief Risk Officer (CRO) has been accorded a very important position in a bank with direct access to the CEO and the board, specially the Audit Committee and the Risk Committee. So this is a very high-profile position entrusted with the highest professional responsibility. However, the job of risk management is not the function of any particular person; rather this is the job of all departmental heads and employees. If all employees and heads of departments apply their professional standard and due diligence in their respective roles, the associated risks with a bank's operation are automatically mitigated. So this is a team work and CRO's responsibility is to oversee and ensure that a good team spirit is in place.

The CRO has primary responsibility for overseeing the development and implementation of the bank's risk management function. This includes the ongoing strengthening of staff skills and enhancements to risk management systems, policies, processes, quantitative models and reports as necessary to ensure that the bank's risk management capabilities are sufficiently robust and effective to fully support its strategic objectives and all of its risk-taking activities. The CRO is responsible for supporting the board in its engagement with and oversight of the development of the bank's risk appetite and RAS and for translating the risk appetite into a risk limits structure. The CRO, together with management, should be actively engaged in monitoring performance relative to risk-taking and risk limit adherence. The CRO's responsibilities also include managing and participating in key decision-making processes (eg strategic planning, capital and liquidity planning, new products and services, compensation design and operation).

Risk identification, monitoring and controlling

Risks should be identified, monitored and controlled on an ongoing bank-wide and individual entity basis. The sophistication of the bank's risk management and internal control infrastructure should keep pace with changes to the bank's risk profile, to the external risk landscape and in industry practice. The bank's risk governance framework should include policies, supported by appropriate control procedures and processes, designed to ensure that the bank's risk identification, aggregation, mitigation and monitoring capabilities are commensurate with the bank's risk profile.

surate with the bank's size, complexity and risk profile. Risk identification should encompass all material risks to the bank, on- and off-balance sheet and on a group-wide, portfolio-wise and business-line level. In order to perform effective risk assessments, the board and senior management, including the CRO, should, regularly and on an ad hoc basis, evaluate the risks faced by the bank and its overall risk profile. Risk identification and measurement should include both quantitative and qualitative elements.

Internal controls are designed, among other things, to ensure that each key risk has a policy, process or other measure, as well as a control to ensure that such policy, process or other measure is being applied and works as intended. The degree of sophistication of the bank's risk management infrastructure – including, in particular, a sufficiently robust data infrastructure, data architecture and information technology infrastructure – should keep pace with developments such as balance sheet and revenue growth; increasing complexity of the bank's business, risk configuration or operating structure; geographical expansion; mergers and acquisitions; or the introduction of new products or business lines.

Banks should have accurate internal and external data to be able to identify, assess and mitigate risk, make strategic business decisions and determine capital and liquidity adequacy. Risk measurement and modelling techniques should be used in addition to, but should not replace, qualitative risk analysis and monitoring. The risk management function should keep the board and senior management apprised of the assumptions used in and potential shortcomings of the bank's risk models and analyses.

As part of its quantitative and qualitative analysis, the bank should utilise stress tests and scenario analyses to better understand potential risk exposures under a variety of adverse circumstances:

- Stress test results should be periodically reviewed with the board or its risk management committee. Test results should be incorporated into the reviews of the risk appetite, the capital adequacy assessment process, the capital and liquidity planning processes, and budgets. They should also be linked to recovery and resolution planning. The risk management function should suggest if and what action is required based on results; and
- The results of stress tests and scenario analyses should also be communicated to, and given appropriate consideration by, relevant business lines and individuals within the bank.

Banks should regularly compare actual performance against risk estimates (ie back testing) to assist in judging the accuracy and effectiveness of the risk management process and making necessary adjustments. In addition to identifying and measuring risk exposures, the risk management function should evaluate possible ways to mitigate these exposures. In some cases, the risk management function may direct that risk be reduced

or hedged to limit exposure. In other cases, such as when there is a decision to accept or take risk that is beyond risk limits (ie on a temporary basis) or take risk that cannot be hedged or mitigated, the risk management function should report material exemptions to the board and monitor the positions to ensure that they remain within the bank's framework of limits and controls or within exception approval. Either approach may be appropriate depending on the issue at hand, provided that the independence of the risk management function is not compromised.

Banks should have risk management and approval processes for new or expanded products or services, lines of business and markets, as well as for large and complex transactions that require significant use of resources or have hard-to-quantify risks. Banks should also have review and approval processes for outsourcing bank functions. If adequate risk management processes are not in place, a new product, service, business line or third-party relationship or major transaction should be delayed until the bank is able to appropriately address the activity. There should also be a process to assess risk and performance relative to initial projections and to adapt the risk management treatment accordingly as the business matures.

Risk Communication:

An effective risk governance framework requires robust communication within the bank about risk, both across the organisation and through reporting to the board and senior management. Ongoing communication about risk issues, including the bank's risk strategy, throughout the bank is a key tenet of a strong risk culture. A strong risk culture should promote risk awareness and encourage open communication and challenge about risk-taking across the organisation as well as vertically to and from the board and senior management.

Information should be communicated to the board and senior management in a timely, accurate and understandable manner so that they are equipped to take informed decisions. While ensuring that the board and senior management are sufficiently informed, management and those responsible for the risk management function should avoid voluminous information that can make it difficult to identify key issues. Rather, information should be prioritised and presented in a concise, fully contextualised manner. The board should assess the relevance and the process for maintaining the accuracy of the information it receives and determine if additional or less information is needed. Risk reporting to the board requires careful design in order to convey bank-wide, individual portfolio and other risks in a concise and meaningful manner. Reporting should accurately communicate risk exposures and results of stress tests or scenario analyses and should provoke a robust discussion of, for example, the bank's current and prospective exposures (particularly under stressed scenarios), risk/return relationships and risk appetite and limits. Reporting should also include information about the external environment to identify market conditions and trends that may have an im-

pact on the bank's current or future risk profile. Risk reporting systems should be dynamic, comprehensive and accurate, and should draw on a range of underlying assumptions. Risk monitoring and reporting should not only occur at the disaggregated level (including material risk residing in subsidiaries) but should also be aggregated to allow for a bank-wide or integrated perspective of risk exposures. Risk reporting systems should be clear about any deficiencies or limitations in risk estimates, as well as any significant embedded assumptions (eg regarding risk dependencies or correlations).

Risk Management Division:

The Risk Management Division (RMD) shall be headed by at least an EVP/SVP/DGM/VP and overall supervised by the Chief Risk Officer (CRO) from the AMD/DMD level who is not in-charge of the Internal Control and Compliance (ICC) department. The RMD needs to manage and measure risks on the basis of the bank's approved risk parameters, independently of regulatory requirements and categories. The responsibilities of RMD include the following:

- Serving as secretariat of All Risk Committee;
- Designing bank's overall risk management strategy;
- Developing and overseeing implementation of stress tests;
- Developing, testing, and observing use of models for measuring and monitoring risk;
- Informing the board and All Risk Committee about the appetite for risk across the bank;
- Communicating views of the board and senior management throughout the bank;
- Independently monitoring limits, in addition to the monitoring that is done by business units;
- Establishing risk management policies and procedures;
- Formulating guidelines on the handling of all property and liability claims involving the organization;
- Developing and implementing loss prevention/loss retention programs;
- Identifying and quantifying bank's exposures to material loss;
- Securing and maintaining adequate loss coverage at the most reasonable cost;
- Adopting proper financial protection measures through risk transfer, risk avoidance, and risk retention programs;

- Determining the most cost-effective way to construct, refurbish, or improve the loss protection system of any facility leased, rented, purchased, or constructed by the bank;
- Managing claims for insured and uninsured losses; and
- Participating on all contract negotiations involving insurance, indemnity, or other pure risk assumptions or provisions prior to the execution of the contracts.

Risk Management Division is responsible for managing and measuring risk on the basis of the bank's approved risk parameters, independently of regulatory requirements and categories. The division is responsible for designing risk management strategy, establishing risk management policies & procedures, communicating views of the Board & Senior Management regarding risk issues throughout the bank, informing Board & Management level Risk Management Committee about appetite for risk, measuring & monitoring risk, identifying & quantifying bank's exposure to material loss, independently monitor limits, developing & implementing loss prevention/retention programs, securing & maintaining adequate loss coverage, periodic stress testing, preparation of monthly risk management paper & holding meeting of Management level Risk Committee etc. Recently, adoption of BASEL III accord, an updated version of BASEL II, came as regulatory response to the banking crisis, which envisages updating shortcomings of the earlier version. In addition to the above, the division is also responsible for monitoring implementation of required corrective action, related to objections revealed in the inspections conducted on the basis of the core risk management guidelines.

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

With Thanks and Best Regards.



Md. Motaleb Hossain
Deputy Managing Director &
Chief Risk Officer

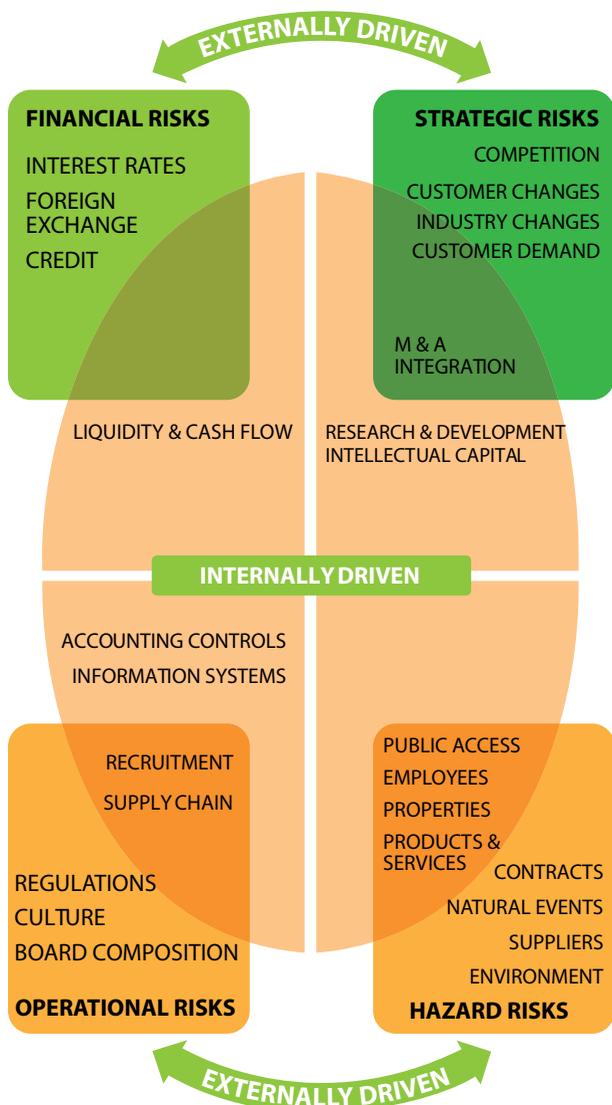
RISK MANAGEMENT FRAMEWORK

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.

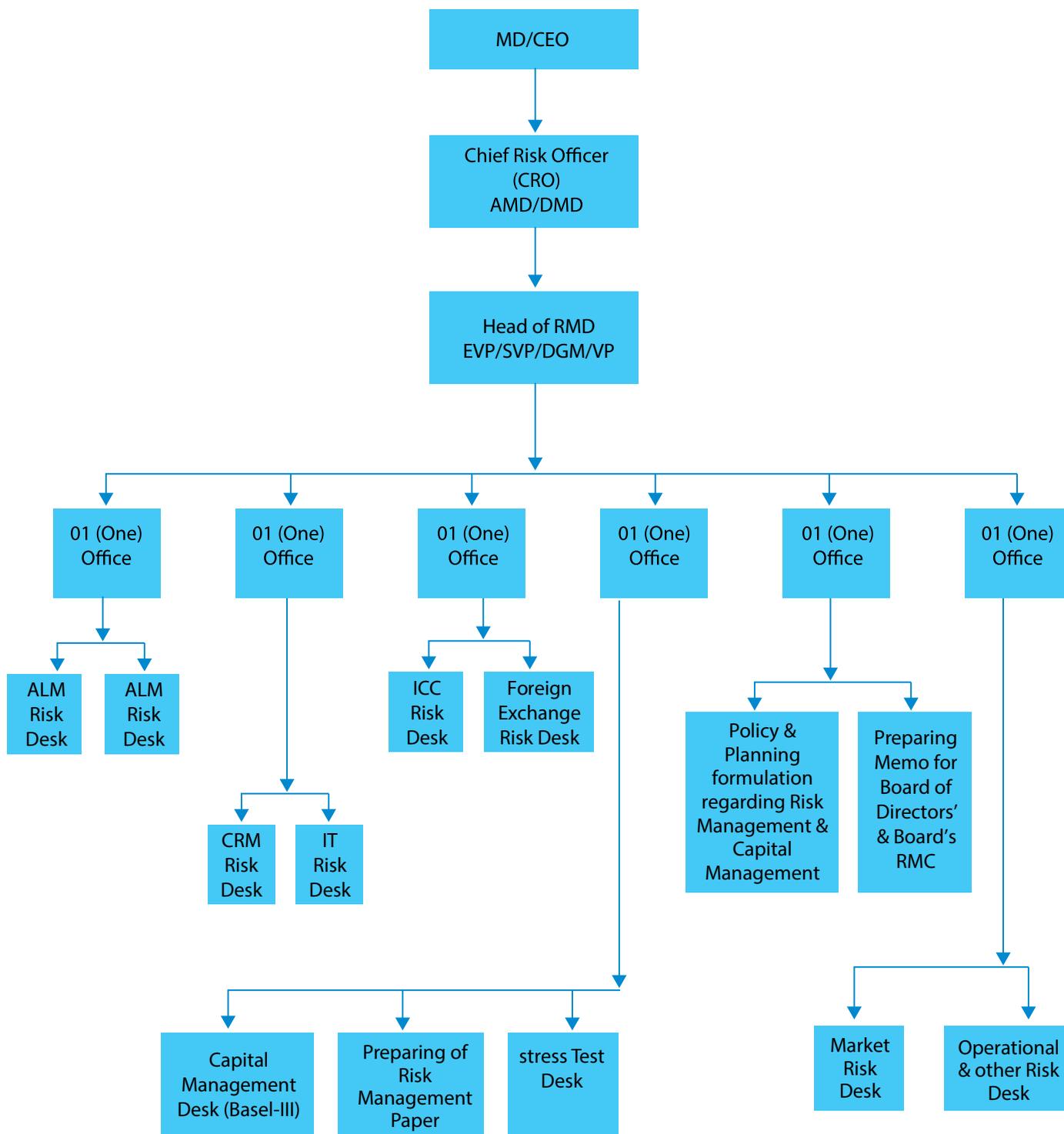
Executive Risk Management Committee:

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 Bank has 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. It may be noted here that RMD has 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 as per DOS circular letter no.13 dated September 9, 2015.



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.

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:

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

Governing financial objectives:

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:

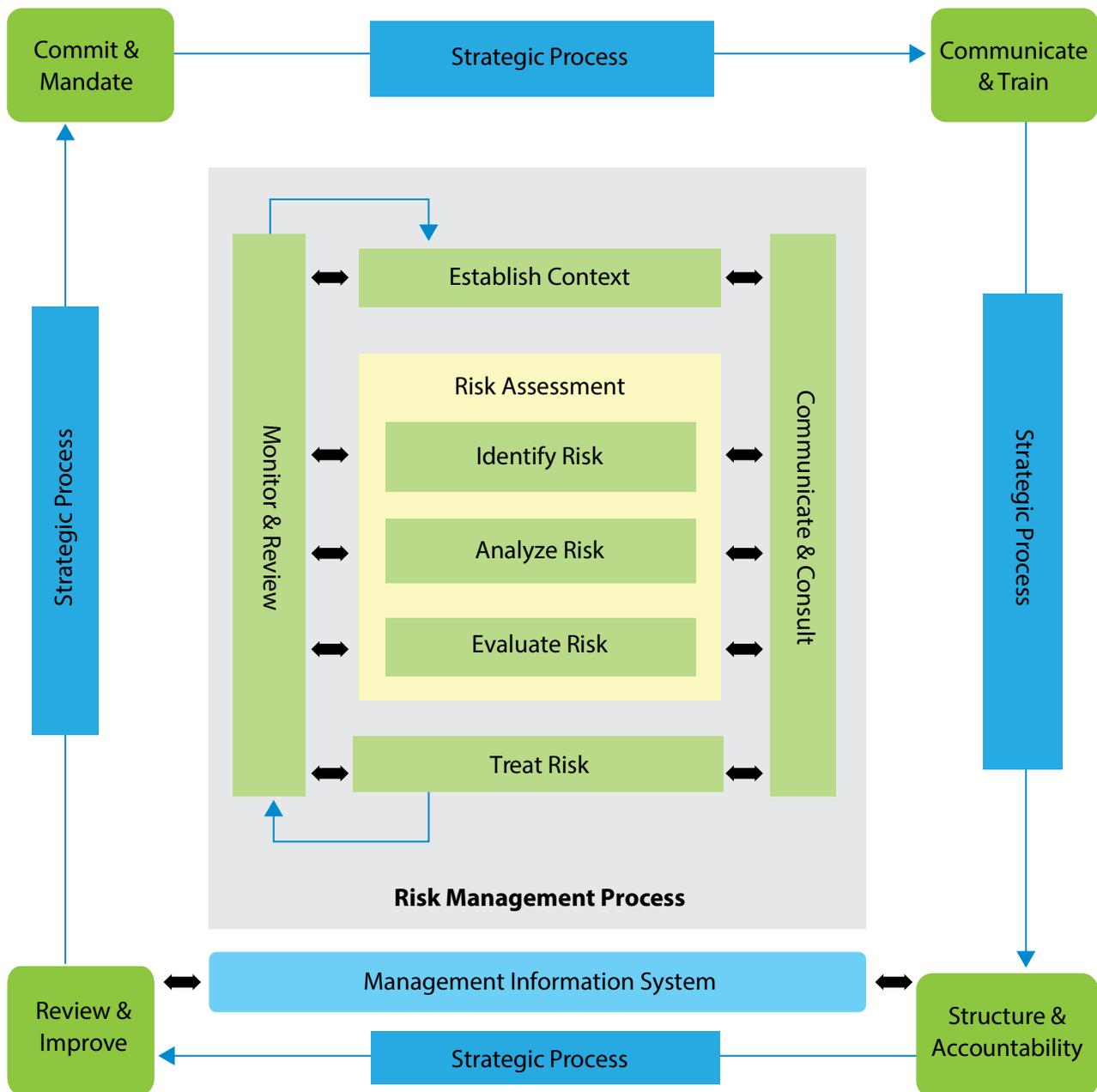
Guidelines ensure that the Bank has the appropriate knowledge of clients, products, and markets and that it fully understands the risks associated with the business it underwrites. Guidelines may change from time to time, due to market or other circumstances. Risk taking outside of guidelines usually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



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. 13 dated 09 September 2015, 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 (CRMR)' 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 acknowledgement.
- 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 credit-worthiness. 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;

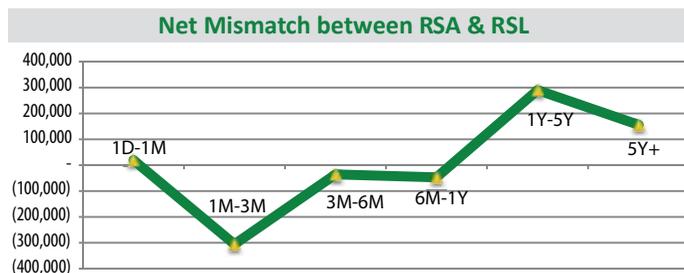
The Bank has segregated duties of the officers/executives involved in credit related activities. Credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed within the credit functions namely Credit Division and Credit 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 their against 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.

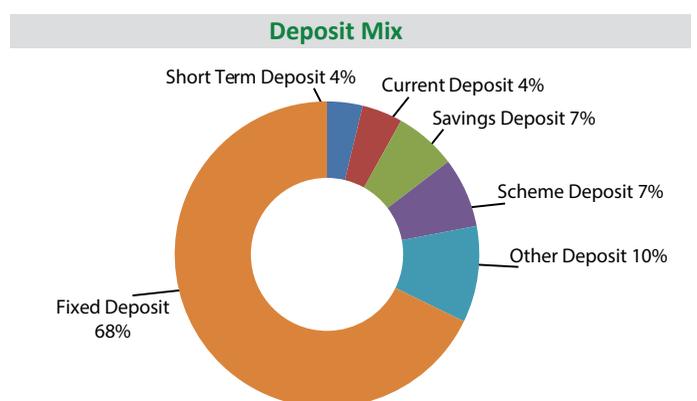
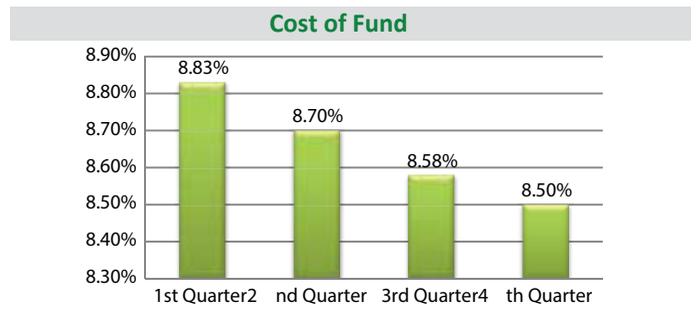
ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same. However, the main functions of the ALCO are:

- 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.



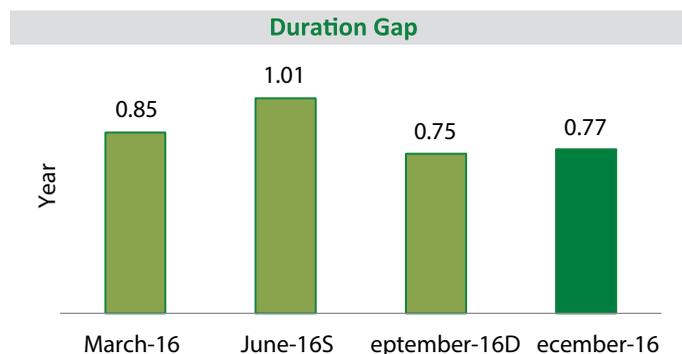
The intensity and sophistication of liquidity risk management

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 float-

ing 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:

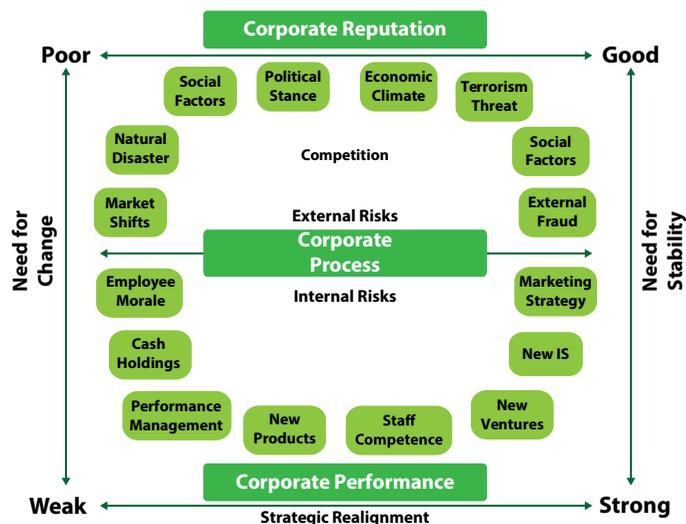
- Intraday Spot Trading Limit.
- Per Deal Limit
- Individual Dealer's Limit
- Forward and Swap Trading Limit
- Overnight Trading Limit
- Open Position Limit
- Per Deal Stop-loss Limit
- Daily Stop Loss Limit
- Trigger Limits
- Limit for Cover Operations
- Corporate Limits
- Off Premises Limit
- After 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 (CAM-LCO) 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 (%)	Buffer Capital	Required CRAR	Required CRAR with CCB
01.	31.12.2015	1,366.99	12.05%	232.45	10.00%	10.000%
02.	31.12.2016	1,372.55	11.54%	182.68	10.00%	10.625%

Consolidated Basis (With Subsidiaries)

(Taka in Crore)

SI	As on	Capital Maintained	Maintained CRAR (%)	Buffer Capital	Required CRAR	Required CRAR with CCB
01.	31.12.2015	1,380.56	11.83%	213.25	10.00%	10.000%
02.	31.12.2016	1,377.24	11.38%	167.15	10.00%	10.625%

Liquidity Ratios:

The year-end Liquidity Ratio requirements for Basel III are as follows:

Solo Basis (Only Bank)

Particular	Maintained Ratio	Required Ratio
Liquidity Coverage Ratio (LCR)	112.49%	≥100.00%
Net stable Funding Ratio (NSFR)	114.60%	>100.00%
Stock of High quality liquid assets	3,125.58	
Total net cash outflows over the next 30 calendar days	2,776.07	
Available amount of stable funding	1,297.98	
Required amount of stable funding	1,132.58	

Leverage Ratio:

The year-end Leverage Ratio for Basel III is as follows:

Particular	Solo	Consolidated	Required Ratio
Leverage Ratio	6.22%	6.21%	3.00%
On balance sheet exposure	14,764.84	14,878.37	
Off balance sheet exposure	2,100.61	2,100.61	
Total exposure	16,651.55	16,765.09	

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:

a) 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.

b) 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.

c) 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 ad-

equated 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:

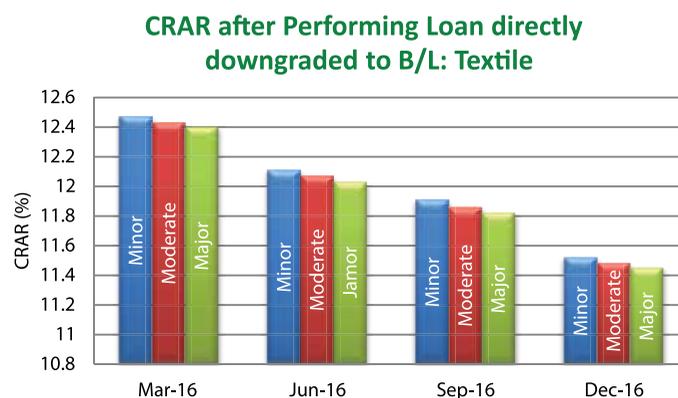
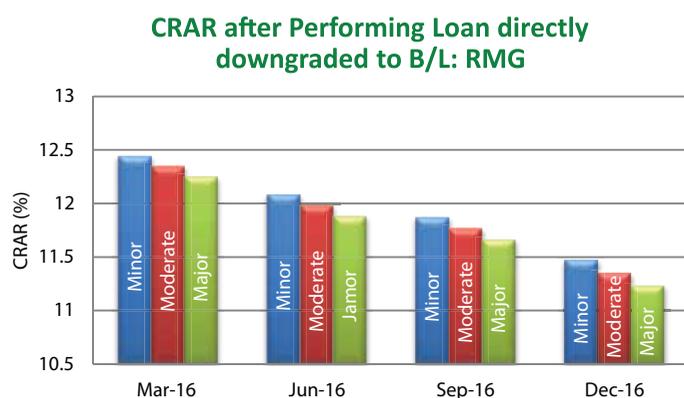
Terms of reference (ToR) of the Team:

- 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.

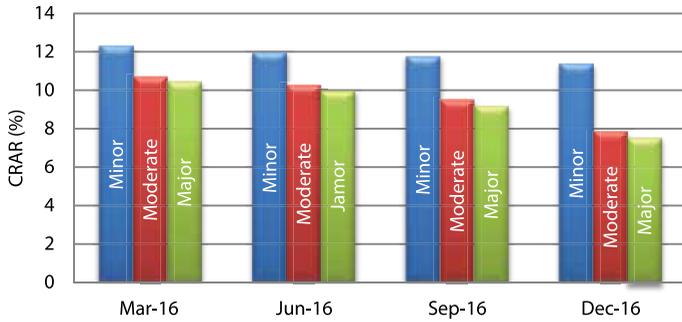
The outcome of the stress tests indicated that the bank was well within its risk tolerance levels in all of the scenarios. The result as on December 2016 is given below:

Different Shocks	Existing CRAR (%)	CRAR After Shock		
		CRAR after Minor Shock (%)	CRAR after Moderate Shock (%)	CRAR after Major Shock (%)
Performing loan directly downgraded to B/L : Sectoral Concentration 1	11.54	11.47	11.35	11.23
Performing loan directly downgraded to B/L : Sectoral Concentration 2	11.54	11.52	11.48	11.45
Increase in NPLs due to default of Top large loan borrowers	11.54	10.18	8.47	8.16
Negative Shift in NPLs categories	11.54	11.37	7.85	7.52
Decrease in the FSV of the Collateral	11.54	11.38	11.23	10.93
Increase in NPLs	11.54	11.00	9.37	5.94
Interest Rate	11.54	10.61	9.68	8.76
FEX : Currency Depreciation	11.54	11.52	11.50	11.49
Equity Shock	11.54	11.52	11.51	11.48
Combined Shock	11.54	9.73	3.47	-1.56

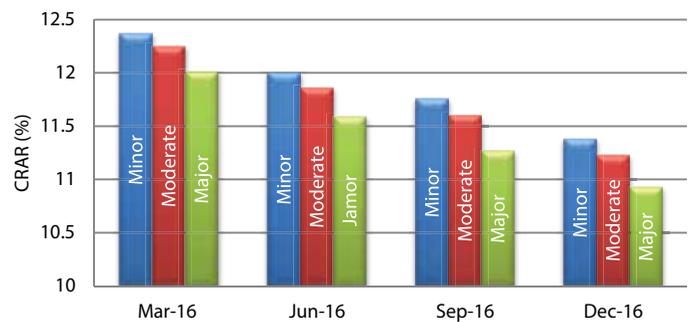
Comparative results of stress tests for the four quarters of 2016 of the Bank have been presented below graphically:



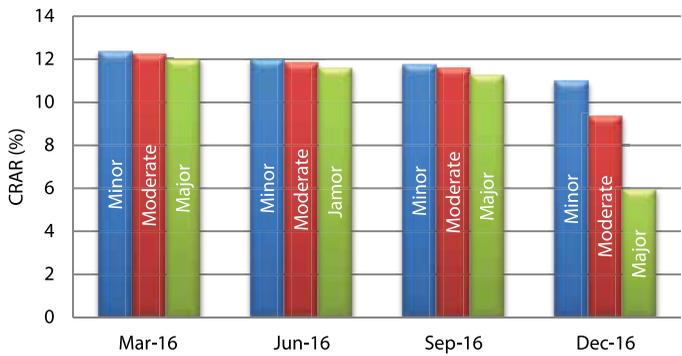
CRAR after Negative Shift in NPL Categories



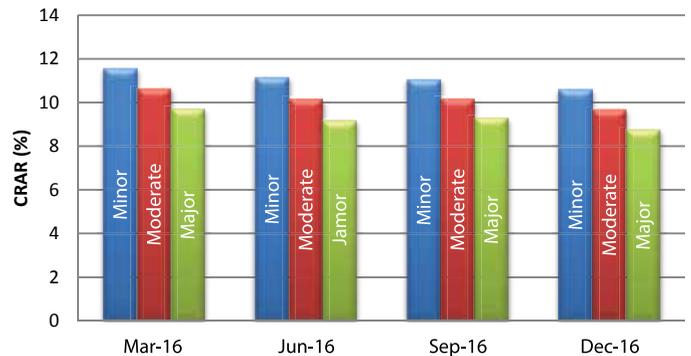
CRAR after Decrease in the FSV of the Collateral



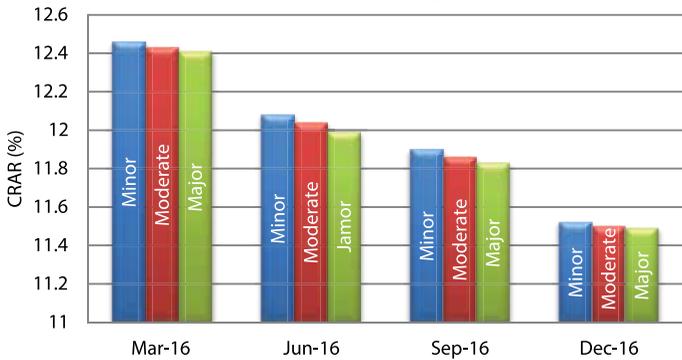
CRAR after Increase in NPLs



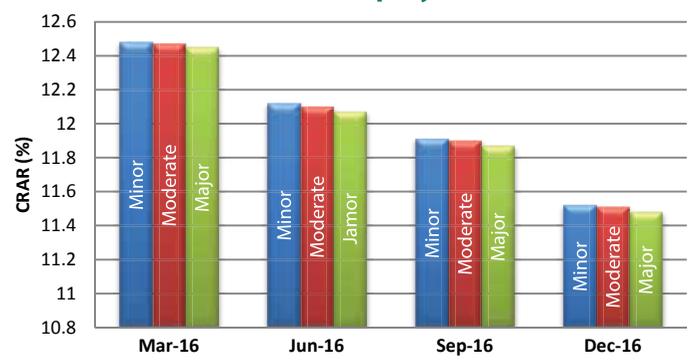
CRAR after Interest Rate



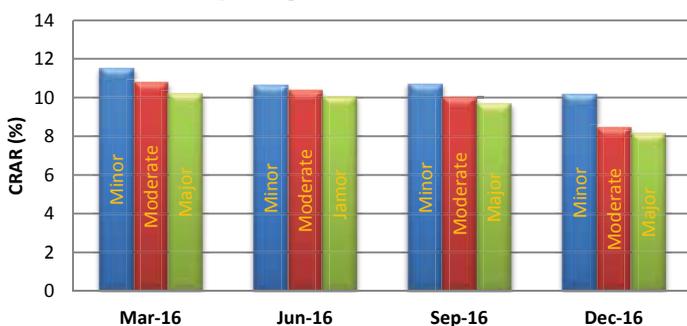
CRAR after FEX : Currency Depreciation



CRAR after Equity Shock



CRAR after Increase in NPLs due to default of Top Large Loan Borrowers



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 31.12.2016

(a) Scope of Application	
Qualitative Disclosure	(a) The Revised Risk Based Capital Adequacy (RBCA) framework which is called Basel-III guideline issued by Bangladesh Bank in December-2014 duly applies to Standard Bank Limited.
	(b) Standard Bank Limited prepared its RBCA report on 'Solo Basis' as well as 'Consolidated Basis' where four (04) subsidiaries belongs to Standard Bank Ltd.
	(c) No incidence occurred which may cause for imposing any regulatory restriction or impediment for transferring fund within the Standard Bank group.
Quantitative Disclosure	(d) No Capital deficiency in solo or consolidated assessment.
(b) Capital Structure	
Qualitative Disclosure	(a) The regulatory capital of bank has been classified into two tiers which is consisted of sum of the following categories:
	1) Tier 1 Capital (going-concern capital)
	a) Common Equity Tier 1
	b) Additional Tier 1
	2) Tier 2 Capital (gone-concern capital)
	a) Common Equity Tier 1 Capital
	Common Equity Tier 1 (CET1) capital consist of sum of the following items:
	1) Paid up capital
	2) Non-repayable share premium account
	3) Statutory reserve
	4) General reserve
	5) Retained earnings
	6) Dividend equalization reserve
	7) Minority interest in subsidiaries
	8) Others
	Less: Regulatory adjustments applicable on CET1 capital:
	1) Shortfall in provisions against NPLs and Investments
	2) Goodwill and all other Intangible Assets
	3) Deferred tax assets (DTA)
	4) Defined benefit pension fund assets
5) Gain on sale related to securitization transactions	
6) Investment in own CET-1 instruments/shares	
7) Reciprocal crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	
8) Any investment exceeding the approved limit under section 26 ka(1) of Bank company Act-1991 (50% of investment)	
9) Investment in Subsidiaries which are not consolidated (50% of investment)	
10) Other if any	

(b) Capital Structure

	<p>b) Additional Tier 1 Capital (AT-1)</p> <p>Additional Tier 1 (AT1) capital consist of the following items:</p> <ol style="list-style-type: none"> 1) Non-cumulative irredeemable preference shares 2) Instruments issued by the banks that meet the qualifying criteria for AT1 as specified in the guideline. 3) Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only) 4) Others <p>Less: Regulatory adjustments applicable on AT1 Capital:</p> <ol style="list-style-type: none"> 1) Investment in own AT-1 instruments/shares 2) Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities 3) Other if any <p>2) Tier 2 Capital (T-2)</p> <p>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:</p> <ol style="list-style-type: none"> 1) General Provisions 2) All other preference shares 3) Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital as specified in the guideline. 4) Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified in the guideline. 5) Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities and 10% of Equities) 6) Others <p>Less: Regulatory adjustments applicable on Tier-2 capital:</p> <ol style="list-style-type: none"> 1) Revaluation Reserves for Fixed Assets, Securities and Equity Securities (follow phase-in deductions as per Basel-III). 2) Investment in own T-2 instruments/shares 3) Reciprocal crossholdings in the T-2 Capital of Banking, Financial and Insurance Entities. 4) Any investment exceeding the approved limit under section 26 ka(1) of Bank company Act-1991 (50% of investment). 5) Investment in Subsidiaries which are not consolidated (50% of investment) 6) Others if any <p>The calculation of Common Equity Tier-1 , Additional Tier-1,Tier-1 and Tier-2 capital shall be subject to the following conditions:</p>
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(a) Scope of Application	
Quantitative Disclosure	1) Common Equity Tier 1 of at least 4.5% of the total RWA.
	2) Tier-1 capital will be at least 6.0% of the total RWA.
	3) Minimum CRAR of 10% of the total RWA.
	4) Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher.
	5) Tier-2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher.
	6) In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 2.5% of the total RWA is being introduced which will be maintained in the form of CET1.
	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	754.10	754.10
1.2	Non-repayable Share premium account	0.00	0.00
1.3	Statutory Reserve	417.52	417.52
1.4	General Reserve	0.00	0.00
1.5	Retained Earnings	78.58	83.27
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)	1250.20	1254.89
Less: Regulatory adjustments applicable on CET1			
1.11	Shortfall in provisions required against Non Performing Loans (NPLs)	211.63	211.63
1.12	Shortfall in provisions required against investment in shares	0.00	0.00
1.13	Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	0.00	0.00
1.14	Goodwill and all other intangible assets	0.00	0.00
1.15	Deferred tax assets (DTA)	0.00	0.00
1.16	Defined benefit pension fund assets	0.00	0.00
1.17	Gain on sale related to securitization transactions	0.00	0.00
1.18	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	2.90	2.90
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)	214.53	214.53
1.24	Total Common Equity Tier-1 (1.10 -1.23)	1035.67	1040.36

Tier 1 Capital (going-concern capital)			
	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)	1035.67	1040.36
Tier 2 Capital (gone-concern capital)			
3.1	General Provisions	136.09	136.09
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.	200.00	200.00
3.4	Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified in the guideline.	0.00	0.01
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
Tier 1 Capital (going-concern capital)			
3.7	Sub-Total (3.1 to 3.6)	337.40	337.40
3.8	Less: Regulatory adjustments applicable on Tier-2 capital		
3.9	Revaluation Reserves for Fixed Assets, Securities and Equity Securities (follow phase-in deductions as per Basel-III).	0.53	0.53
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)	0.53	0.53
3.16	Total Eligible Tier-2 Capital (3.7 – 3.15)	336.87	336.87
	Total Eligible Capital (Tier-1+Tier-2)(2.10+3.16)	1372.55	1377.24

(c) Capital Adequacy			
Qualitative Disclosure	(a)	<p>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.</p> <p>Bank has been strengthened its risk management process and internal control system in assessing and planning of economic capital against all risks.</p> <p>The strategic planning process critically analysis of bank's current and future capital requirements. The strategic plan includes the bank's capital needs, anticipated capital expenditures, desirable capital level, and external capital sources.</p>	
Quantitative Disclosure	(b)	Capital Requirement for Credit Risk	1128.51
	(c)	Capital Requirement for Market Risk	11.39
	(d)	Capital Requirement for Operational Risk	49.97
	(e)	Total Capital, CET-1 Capital, Total Tier-1 Capital and Tier-2 Capital Ratio:	
		• For the consolidated group:	
		• Total CRAR	11.38%
		• CET-1 Capital Ratio	8.60%
		• Total Tier-1 Capital Ratio	8.60%
		• Tier-2 Capital Ratio	2.78%
		• For stand alone:	
		• Total CRAR	11.54%
		• CET-1 Capital Ratio	8.70%
	(f)	<p>• For the consolidated group: 75.63 crore in 2016 (0.625% of Total RWA)</p> <p>• For stand alone: 74.37 crore in 2016 (0.625% of Total RWA)</p>	
(g)	Available Capital under Pillar-2 requirement---- Tk. 1282.41 Crore as on 31.12.2015. Based on 31.12.2016 it is not calculated yet, it will be calculated within 31.05.2017.		
(d) Credit Risk			
Qualitative Disclosure	(a)	<p>Definition of past due and impaired (for accounting purposes): A customer will be considered to be past due once a repayment becomes overdue.</p> <p>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.</p> <p>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.</p> <p>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.</p>	

(d) Credit Risk

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(d) Credit Risk																																
Qualitative Disclosure	(a)	<p>▶ Description of approaches followed for specific and general allowances and statistical methods</p> <p>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.</p> <p>▶ Discussion of the Bank's credit risk management policy</p> <p>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.</p> <p>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.</p>																														
	(b)	<table border="1"> <thead> <tr> <th style="text-align: left;">Total gross credit risk exposures broken down by major types of credit exposure:</th> <th style="text-align: right;">Tk. in Crore</th> </tr> </thead> <tbody> <tr> <td>SOD/Quard against TDR</td> <td style="text-align: right;">1754.10</td> </tr> <tr> <td>Term Loans (General including Bai-Muajjal)</td> <td style="text-align: right;">2687.10</td> </tr> <tr> <td>Export Development Fund (EDF)</td> <td style="text-align: right;">286.84</td> </tr> <tr> <td>Agriculture</td> <td style="text-align: right;">436.60</td> </tr> <tr> <td>Cash Credit/Murabaha</td> <td style="text-align: right;">1501.73</td> </tr> <tr> <td>House Building Loans</td> <td style="text-align: right;">231.51</td> </tr> <tr> <td>Staff Loans</td> <td style="text-align: right;">62.27</td> </tr> <tr> <td>Transport Loans</td> <td style="text-align: right;">74.04</td> </tr> <tr> <td>LTR</td> <td style="text-align: right;">705.80</td> </tr> <tr> <td>PAD</td> <td style="text-align: right;">158.68</td> </tr> <tr> <td>Packing Credit (PC)</td> <td style="text-align: right;">27.21</td> </tr> <tr> <td>Demand Loan</td> <td style="text-align: right;">828.43</td> </tr> <tr> <td>Lease Finance/Izara</td> <td style="text-align: right;">118.36</td> </tr> <tr> <td>Syndicate/Club Finance</td> <td style="text-align: right;">320.99</td> </tr> </tbody> </table>	Total gross credit risk exposures broken down by major types of credit exposure:	Tk. in Crore	SOD/Quard against TDR	1754.10	Term Loans (General including Bai-Muajjal)	2687.10	Export Development Fund (EDF)	286.84	Agriculture	436.60	Cash Credit/Murabaha	1501.73	House Building Loans	231.51	Staff Loans	62.27	Transport Loans	74.04	LTR	705.80	PAD	158.68	Packing Credit (PC)	27.21	Demand Loan	828.43	Lease Finance/Izara	118.36	Syndicate/Club Finance	320.99
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(d) Credit Risk

Quantitative Disclosure	Demand Loan	828.43
	Lease Finance/Izara	118.36
	Syndicate/Club Finance	320.99
	Visa Credit Card	21.60
	SME/SE	987.14
	Green Finance	1.45
	CCS/Hire Purchase	7.24
	Bills purchased & discounted (Local & Foreign)	234.72
	Total	10445.61
	(c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:	Tk. in Crore
Urban:		
Dhaka Division	6666.64	
Chittagong Division	2272.34	
Sylhet Division	44.87	
Rajshahi Division	150.37	
Khulna Division	414.94	
Rangpur Division	295.35	
Barisal Division	39.80	
Mymensingh	18.95	
Total	9903.27	
Rural:		
Dhaka Division	359.78	
Chittagong Division	70.89	
Sylhet Division	19.20	
Rajshahi Division	20.97	
Rangpur Division	38.58	
Barisal Division	0.00	
Khulna Division	17.51	
Mymensingh	15.41	
Outside Bangladesh	0.00	
Total	542.34	
Grand Total (urban + rural)	10445.61	

(d) Credit Risk			
Quantitative Disclosure	(d)	Industry or counterparty types distribution of exposures broken down by major types of credit exposure:	Tk. in Crore
		Commercial Lending	384.05
		Export financing	526.60
		House Building loan	231.51
		Consumers credit scheme	27.17
		Small & Medium Enterprise	987.14
		Special program loan	12.64
		Others	2348.15
		Total	4517.27
		Industrial loans:	
		Agricultural Industries	436.39
		Textile Industries	2221.85
		Food & Allied Industries	222.53
		Pharmaceuticals Industries	16.15
		Leather , Chemical & Cosmetics etc	28.64
		Cement & Ceramic Industries	229.26
		Service Industries	1441.13
		Transport & Communication Industries	453.26
		Other Industries	792.25
	Total	5841.47	
	(e)	Residual contractual maturity breakdown of the whole portfolio broken down by all types of credit exposure including bill purchased & discounted:	Tk. in Crore
		Payable On demand	-----
		Up to one month	1448.06
		Over one month but not more than three months	1726.67
		Over three months but less than one year	3334.09
		Over one year but less than five years	3158.93
		Above five years	777.85
		(f)	By major industry or counterparty type : Amount of impaired loans and if available, past due loans, provided separately
	Corporate		339.80
	SME		39.62
	Consumer Financing		0.47
Others Specific and general provisions; and Charges for specific allowances and charge-offs during the period	292.04		

(d) Credit Risk				
	(g) Gross Non performing Assets (NPAs)	661.11		
	Non performing Assets (NPAs) to Outstanding Loans & advances	6.33%		
	Movement of Non Performing Assets (NPAs)			
	Opening balance	374.86		
	Additions	286.25		
	Reductions	-		
	Closing balance	661.11		
	Movement of specific provisions for NPAs			
	Opening balance	157.66		
	Provisions made during the period	201.24		
	Write-off	38.39		
	Write-back of excess provisions	-		
	Closing balance	397.29		
	(e) Equities: Disclosures for Banking Book Positions			
Qualitative Disclosure	(a)	<p>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.</p> <p>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".</p> <p>Apart from above, the Bank has being calculated value at cost method for Quoted shares & Unquoted shares.</p>		
	(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	Tk. 16.80	18.29
		Unquoted shares	Tk. 260.25	260.25
	(c)	The cumulative realized gain (losses) arising from sales and liquidations in the reporting period. Realized gain (losses) from equity investments		
	(d)	Total unrealized gains (losses) –	0.00	
		Total latent revaluation gains (losses) -	2.37	
		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)	<p>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.</p> <p>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.</p> <p>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.</p>			
	(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	-12.95	-25.90	-38.85
		Capital after shock	1359.60	1346.65	1333.70
		CRAR after shock (%)	11.43	11.32	11.21
		Change in CAR after shock (%)	-0.11	-0.22	-0.33
		Re-pricing Impact			
		Change in the value of the bond portfolio	-97.18	-194.36	-291.54
		Capital after shock	1262.42	1152.29	1042.16
		CRAR after shock (%)	10.61	9.68	8.77
		Change in CAR after shock (%)	-0.82	-1.63	-2.45
		Overall change in CAR (NII & re-pricing impact, %)	-0.93	-1.85	-2.78
(g) Market Risk					
Qualitative Disclosure	(a)	<p>Views of BOD on trading/investment activities:</p> <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. The important aspect of the Market Risk includes liquidity management, interest rate risk management and the pricing of assets and liabilities. There are three types of Market Risk such as Interest Rate Risk, Foreign Exchange Risk & Equity Price Risk. The Board will have to approve all policies related to market risk, sets limits and reviews compliance on a regular basis.</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>			

(g) Market Risk				
Quantitative Disclosure		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.		
	(b)	The capital requirement for:	Solo Consolidated	
		Interest rate risk	3.23	3.23
		Equity position risk	3.66	35.88
		Foreign exchange risk	4.50	4.50
	Commodity risk	0.00	0.00	
(h) Operational Risk				
Qualitative Disclosure	(a)	<p>Views of BOD on system to reduce Operational Risk: Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities. In addressing Operational Risk, Bank has been strengthened its Internal Control System, and ensure sound Corporate Governance in all sphere of Management and Operation level as well. The Bank should maintain a robust CBS (Core Banking Software) and enriches its IT infrastructure in terms of demand of time. Besides, in order to capacity building of its Human Resources Bank may be taken a number of steps like training, workshop etc.</p> <p>Performance gap of executives and staffs: SBL has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. SBL's strong brand image plays an important role in employee motivation. As a result there is no significant performance gap.</p> <p>Potential external events: No potential external events are expected to expose the Bank to significant operational risk.</p> <p>Policies and Processes for mitigating operational risk: To mitigate operational risk, Bank use basic indicator approach to calculate capital charge against operational risk. The policy for operational risks including internal control & compliance risk is approved by Board taking into account relevant guidelines of Bangladesh Bank. The Bank developed a Risk Management Division and supervisory review Committee for review and managing operation risk as well as evaluating of the adequacy of the capital. For mitigating operational risk Internal Control and compliance division undertakes periodical and special audit of the branches and departments at the Head Office for review of the operation and compliance of statutory requirements.</p> <p>Approach for calculating capital charge for operational risk: The Bank followed Basic Indicator Approach (BIA) for measuring capital charges for operational risk. Under the Basic Indicator Approach (BIA), the capital charge for operational risk is a fixed percentage (denoted by alpha) of average positive annual gross income of the Bank over the past three years.</p>		

(h) Operational Risk			
Quantitative Disclosure	(b)	The Capital Requirement for Operational Risk (Solo)	49.97
		The Capital Requirement for Operational Risk (Consolidated)	54.42
i) Liquidity Risk			
Quantitative Disclosures	a)	Views of BOD on system to reduce liquidity risk	
		<p>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.</p> <p>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.</p> <p>Generally speaking the board of a bank is responsible:</p> <ul style="list-style-type: none"> 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. <p>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:</p> <ul style="list-style-type: none"> 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. <p>Method used to measure Liquidity risk</p> <p>1) Contractual maturity mismatch: The contractual maturity mismatch profile identifies the gaps between the contractual inflows and outflows of liquidity for defined time bands. These maturity gaps indicate how much liquidity a bank would potentially need to raise in each of these time bands if all outflows occurred at the earliest possible date. This metric provides insight into the extent to which the bank relies on maturity transformation under its current contracts.</p> <p>2) Concentration of funding: This metric is meant to identify those sources of wholesale funding that are of such significance that withdrawal of this funding could trigger liquidity problems. The metric thus encourages the diversification of funding sources recommended in the Committee's Sound Principles.</p> <p>3) Available unencumbered assets: These metrics provide supervisors with data on the quantity and key characteristics, including currency denomination and location, of banks' available unencumbered assets.</p>	

i) Liquidity Risk

Quantitative Disclosures	<p>a) 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.</p> <p>4) LCR by significant currency: While the LCR is required to be met in one single currency, in order to better capture potential currency mismatches, banks and supervisors should also monitor the LCR in significant currencies. This will allow the bank and the supervisor to track potential currency mismatch issues that could arise.</p> <p>5) 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.</p> <p>Liquidity risk management system The liquidity risk strategy defined by board should enunciate specific policies on particular aspects of liquidity risk management, such as:</p> <ol style="list-style-type: none"> Composition of Assets and Liabilities Diversification and Stability of Liabilities. Access to Inter-bank Market <p>The liquidity strategy must be documented in a liquidity policy, and communicated throughout the bank. The responsibility for managing the overall liquidity of the bank should be delegated to a specific, identified group within the bank. This might be in the form of an Asset Liability Committee (ALCO) comprised of senior management, the treasury function or the risk management department. However, usually the liquidity risk management is performed by an ALCO. Ideally, the ALCO should comprise of senior management from each key area of the institution that assumes and/or manages liquidity risk. An effective liquidity risk management include systems to identify, measure, monitor and control its liquidity exposures. Management should be able to accurately identify and quantify the primary sources of a bank's liquidity risk in a timely manner. To properly identify the sources, management should understand both existing as well as future risk that the institution can be exposed to. Management should always be alert for new sources of liquidity risk at both the transaction and portfolio levels. 4.5.2 Key elements of an effective risk management process include an efficient MIS, systems to measure, monitor and control existing as well as future liquidity risks and reporting them to senior management.</p> <p>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.</p> <p>Use of CFP for Routine Liquidity Management</p> <ol style="list-style-type: none"> A reasonable amount of liquid assets are maintained. Measurement and projection of funding requirements during various scenarios. Management of access to funding sources. <p>Use of CFP for Emergency and Distress Environments Not necessarily a liquidity crisis shows up gradually. In case of a sudden liquidity stress</p>
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i) Liquidity Risk														
Quantitative Disclosures		<p>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.</p> <p>Scope of CFP</p> <p>To begin, the CFP should anticipate all of the bank's funding and liquidity needs by:</p> <p>a) Analyzing and making quantitative projections of all significant on- and off-balance-sheet funds flows and their related effects.</p> <p>b) Matching potential cash flow sources and uses of funds.</p> <p>c) Establishing indicators that alert management to a predetermined level of potential risks.</p>												
	b)	<table border="1"> <tr> <td>Liquidity coverage ratio (LCR)</td> <td style="text-align: right;">112.49%</td> </tr> <tr> <td>Net stable Funding Ratio (NSFR)</td> <td style="text-align: right;">114.60%</td> </tr> <tr> <td>Stock of High quality liquid assets</td> <td style="text-align: right;">3125.58</td> </tr> <tr> <td>Total net cash outflows over the next 30 calendar days</td> <td style="text-align: right;">2776.07</td> </tr> <tr> <td>Available amount of stable funding</td> <td style="text-align: right;">1297.98</td> </tr> <tr> <td>Required amount of stable funding</td> <td style="text-align: right;">1132.58</td> </tr> </table>	Liquidity coverage ratio (LCR)	112.49%	Net stable Funding Ratio (NSFR)	114.60%	Stock of High quality liquid assets	3125.58	Total net cash outflows over the next 30 calendar days	2776.07	Available amount of stable funding	1297.98	Required amount of stable funding	1132.58
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j) Leverage Ratio:														
Qualitative disclosures	a)	<p>Views of BOD on system to reduce excessive leverage</p> <p>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:</p> <p>a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and</p> <p>b) reinforce the risk based requirements with an easy to understand and a non-risk based measure.</p> <p>Policies and processes for managing excessive on and off balance sheet leverage</p> <p>Introducing the leverage ratio as an additional prudential tool has several potential benefits. The financial crisis has illustrated the disruptive effects of procyclicality (amplification of the effects of the business cycle) and of the risk that can build up when financial firms acting in an individually prudent manner collectively creates systemic problems. There is now broad consensus that micro-prudential regulation needs to be complemented by macro-prudential regulation that smooths the effects of the credit cycle. This has led to proposals for countercyclical capital requirements and loan loss provisions that would be higher in good times and lower in bad times.</p> <p>Approach for calculating exposure</p> <p>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.</p> <p>Leverage Ratio = Tier 1 Capital (after related deductions) / Total Exposure (after related deductions)</p> <p>A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p>												

j) Leverage Ratio:

Quantitative disclosures	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.		
		Solo	Consolidated
	Leverage ratio	6.22%	6.21%
	On balance sheet exposure	14764.84	14878.37
	Off balance sheet exposure	2100.61	2100.61
	Total exposure	16651.55	16765.09

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 Disclosures

(a)	Information relating to the bodies that oversee remuneration	<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> <ul style="list-style-type: none"> • Review of the Compensation Policy annually or as demanded by market. • Exercise such other powers and play the roles delegated to it by the Board. • Till present, the Bank has not yet engaged any External Consultants for conducting such exercise since these have been done by the Bank's Management.
(b)	Information relating to the remuneration of the processes	<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>

k) Remuneration		
Qualitative Disclosures		
(a)	Information relating to the bodies that oversee remuneration	<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> <ul style="list-style-type: none"> • Review of the Compensation Policy annually or as demanded by market. • Exercise such other powers and play the roles delegated to it by the Board. • Till present, the Bank has not yet engaged any External Consultants for conducting such exercise since these have been done by the Bank's Management.
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(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</p>

k) Remuneration		
		Resource Management under the guidance of MD administers the compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.
(d)	Description of the ways in which the banks seeks to link performances during a performance measurement period with levels of remuneration	On the way to link performances during a performance measurement period with levels of remuneration management takes the feedback or appraisal from head of branch (in case of branch officials) or concerned Head of Division (for Head Office) in the form of Annual Performance Appraisal (APA), previously known as Annual Confidential Report (ACR). Although all employees receive the festival bonuses irrespective of performance, yearly incentive is determined and awarded on basis of the Annual Performance Appraisal (APA). In case of hiring exceptionally deserving candidate bank offers enhanced package program with seniority in rank.
(e)	Description of the ways in which the banks seeks to adjust remuneration to take account of longer-term performance	The Bank follows various schemes in regards to deferred and vested variable remuneration as follows: - PF (Vesting or entitlement to employer's contribution)
(f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for	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: <ul style="list-style-type: none"> • 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.
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: 1712 Number and total amount of guaranteed bonuses award during the financial year: 02, BDT 10.76 crore (Festival Bonuses) Number and amount of sign-on awards made during the year.
(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: 114.65 crore (Gratuity, PF, WF) Total amount of deferred remuneration paid out in the financial year: 2.38 crore (PF, gratuity, WF)
(j)	Breakdown of amount of remuneration awards for the financial year to show:	Breakdown of amount of remuneration awards for the financial year to show:

k) Remuneration	
	<p>-fixed remuneration : 117.82 crore variable remuneration: BDT 29.72 crore -deferred remuneration: 14.91 crore and non-deferred remuneration: 117.82 crore -different forms used (cash, shares and share-linked instruments, other forms): All the remunerations are provided in the form of cash.</p>
(k)	<p>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:</p> <p>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:</p> <p>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</p>

CAPITAL PLANNING AND MANAGEMENT

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

- Identify risks, improve their understanding of the bank's overall risks, set risk tolerance levels, and assess strategic choices in longer-term planning,
- Identify vulnerabilities such as concentrations and assess their impact on capital,
- Integrate business strategy, risk management, capital and liquidity planning decisions, including due diligence for a merger or acquisition, and
- 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.

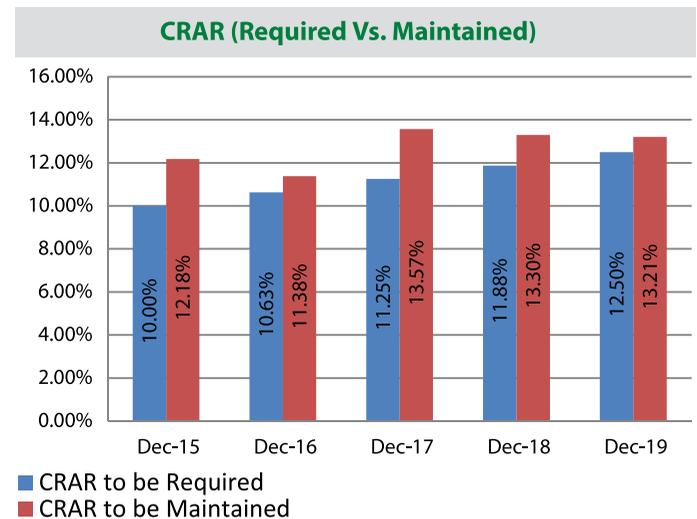
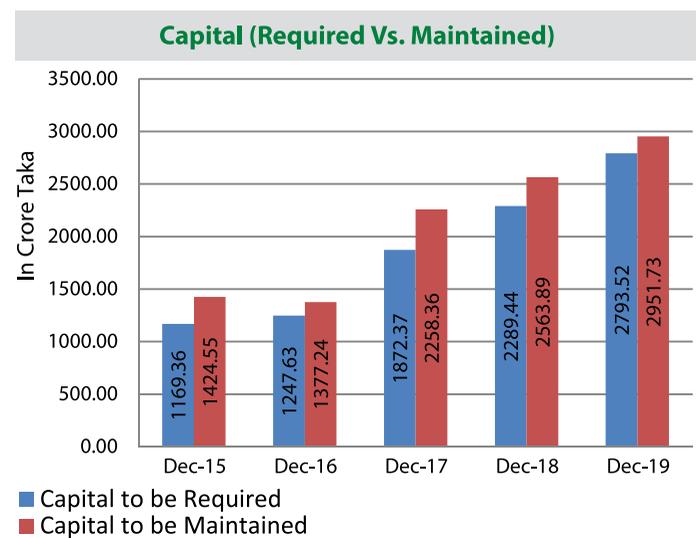
The capital planning process has been included the following components:

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

A) Capital Planning:

SBL has been forecasting capital for 5 (five) years from 2015 to 2019 for meeting ICAAP (Internal Capital Adequacy Assessment Process) requirement under SRP (Supervisory Review Process)

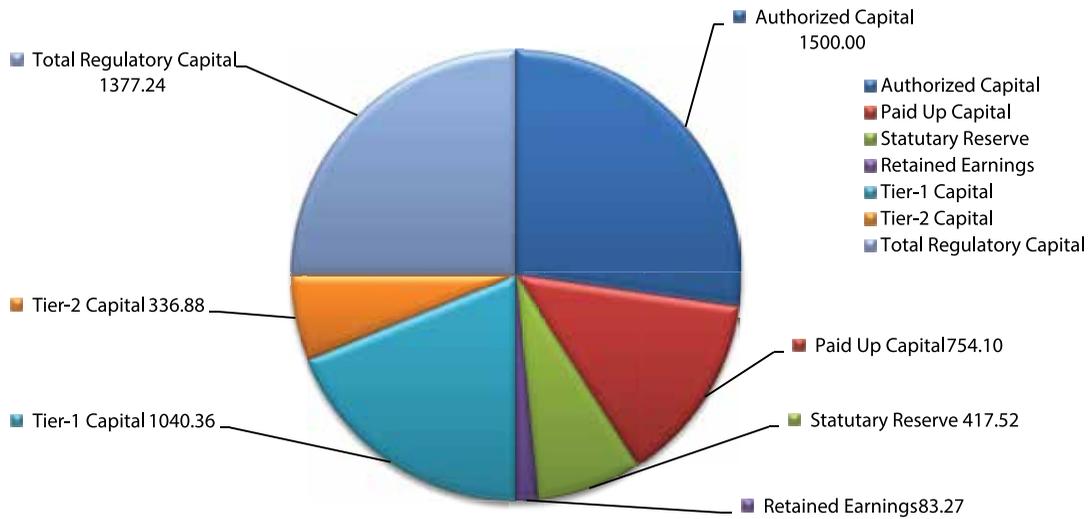
of Basel-III guideline. Bank has already enhanced its Authorized Capital from Tk. 880.00 crore to Tk. 1500.00 crore. To use of capital efficiently Bank tries to reduce Risk Weighted Asset (RWA) by its best effort. Moreover Bank issued subordinated debt of Tk. 200.00 crore on December-2015 for enhancing Tier-II capital to meet regulatory requirement. Furthermore SBL is going to be issued another subordinated debt of Tk. 400.00 crore which is already approved by the Board and sent to the regulatory authority for final approval. 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. 754.10 crore & the Statutory Reserve stood at Tk. 417.52 crore as on 31.12.2016. The total Tier-I capital of the Bank on consolidated basis at the end of the 2016 stood Tk. 1040.36 crore. In future Bank has a plan to enhance both the authorized capital & paid-up capital of the Bank to cope with financial growth and Basel-III implementation. The total regulatory capital of the Bank on consolidated basis has stood Tk. 1377.24 crore at the end of 2016.

Capital Structure



C) Capital Adequacy:

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

The Tier-1 Capital of SBL on consolidated basis stood at Tk. 1040.36 crore which is decreased by Tk. 19.99 crore from previous year. Besides Tier-II, another part of the Capital Structure stood

at Tk. 336.89 crore at the end of 2016 which includes General Provision on unclassified loans & advances & off balance sheet exposure and subordinated bond. Total Capital decreased by Tk. 3.32 crore during the year 2016.

Capital Adequacy Ratio is measured by the total regulatory Capital to total Risk weighted asset. Capital to Risk Weighted Asset Ratio (CRAR) stood at 12.91% for solo basis & 12.73% for consolidated basis at the end of 2016, where CRAR requirement with Capital Conservation Buffer (CCB) is 10.625% for 2016.

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 2016 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 NPLs 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 is consist 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.

During the year 2016, the NPL Ratio of the Bank slightly increased to 3.64% from previous year's 3.25%. The absolute figures show the increase in classified portfolio from BDT 2959.28 million in 2015 to BDT 3798.90 million in 2016. The deterioration has occurred under stressed situation in the economy. Special efforts are being made by forming various recovery Task Forces during the course of the year, which were further intensified during the last quarter of the year and it helped to reduce the impact of the stressful economy on NPL to a moderate extent comparing to the industry.

In order to minimize NPL, our focus was not only on reducing NPL portfolio, but also avoiding further NPL. In line with that, we have strengthened our recovery and monitoring drives, deployed external sources where found suitable strengthening our legal team, thereby intensified recovery initiative which brought in defaulting clients under negotiation and thereby sizeable recovery was possible in the year 2016 in comparison with 2015. On the other hand in order to check any further significant NPL, we have extensively reorganized our Division and enhanced in house lawyers incorporating leading law firms and re-engineered business and operational process putting into a strong risk management framework in place which are expected to result improvement in the year 2017.

Movement of NPLs:

The movement in NPL accounts during the years 2016 & 2015 has been depicted in the following table:

Particulars	Amount in Taka (Million)	
	2016	2015
Opening Balance	2,959.28	3,392.00
Add: Additional during the year	2,936.92	2,154.41
Less: NPL recovered during the period	151.26	204.07
Less: NPL declassified/ regularized as performing during the period	1,532.50	1,954.97
Less: NPL Written-off during the period	413.48	428.09
Closing Balance (NPL)	3,798.96	2,959.28

Movement of NPLs:

The movement in NPL accounts during the years 2016 & 2015 has been depicted in the following table:

Particulars	Amount in Taka (Million)	
	2016	2015
Opening Balance	2688.89	2261.77
Add: Additional during the year	413.48	428.09
Less: Collection during the year	0.00	0.973
Closing Balance	3102.37	2688.89

Sector-wise NPL Status:

Amount in Million Tk.

Sl. No.	Particulars	Year-2016			Year-2015		
		Total Loans and Advances	Total Classified Loans	Sector-wise NPL in % of Total Portfolio	Total Loans and Advances	Total Classified Loans	Sector-wise NPL in % of Total Portfolio
01	Agriculture	3598.40	54.30	0.05%	3146.40	94.40	0.10%
02	SME Loans	9871.40	333.20	0.32%	7886.60	412.80	0.45%
03	RMG	14204.10	688.00	0.66%	12205.80	305.70	0.34%
04	Textile	6332.00	-	0.00%	5624.80	-	0.00%
05	Ship Building	0.00	-	0.00%	256.80	-	0.00%
06	Ship Breaking	2047.40	143.30	0.14%	2191.40	-	0.00%
07	Other Manufacturing Industry	21187.00	102.10	0.10%	17108.00	493.80	0.54%
08	Power, Gas	786.40	-	0.00%	1036.60	0.40	0.00%
09	Construction	6903.90	266.30	0.25%	6032.00	87.30	0.10%
10	Commercial Real Estate Financing	5549.20	463.60	0.44%	4338.20	300.28	0.33%
11	Residential Real Estate Financing	1245.60	188.70	0.18%	693.90	6.90	0.01%
12	Capital Marker (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	2186.30	-	0.00%	1914.60	-	0.00%
13	NBFIs	1380.60	-	0.00%	2831.40	118.00	0.13%
14	Transport, storage & communication	3859.90	152.90	0.15%	3388.80	69.60	0.08%
15	Trade Service	14271.10	1,136.20	1.09%	12319.50	911.30	1.00%
16	Consumer Credit	487.70	4.80	0.00%	226.50	0.30	0.00%
17	Others	10545.10	265.50	0.25%	9642.90	158.50	0.17%
	Total	104456.10	3798.90	3.64%	90844.20	2959.28	3.25%

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 2016.

Customers Service

Customers are our first priority who acts as ambassadors of the Bank for image buildup. The Bank has developed a conducive organizational structure and implemented Service Excellence through appropriate blending of 4 Ps namely People, Process, Premises and Professionalism with a view to ensuring excellence in customer service. The Bank envisages conducting of promotional activities and establishes brand marketing through ensuring excellent Customer Service. Our Company philosophy is customer friendly and fully responsive to customer needs and expectations. We leverage technology and expertise to provide best services and convenience to its customers. We spend money on things that matter to them and add value to the Bank in terms of image and profit. The Bank has focused on rendering dignified, prompt and personalized services to the customers. SBL believes in developing strong interpersonal relationship. As such, the Bank is morally bound to provide high quality banking services supported by the latest technology to obtain optimum return on shareholder's equity, ensuring safety of depositor's money and making all-out efforts to introduce innovative banking products to the existing and prospective customers. SBL is happy that the Bank could give enough emphasis on empowering poor families by creating income opportunity and providing financial support to make them self-reliant. The Bank considers that services to be of utmost importance to improve the fate of deserving people in our society. Now, SBL has been able to extend more comfortable services to the valued clients such as any-branch-banking, ATM services, Debit and Credit Card, SMS Banking, Internet Banking, Mobile Banking, Agent Banking, Electronic Fund Transfer, Bangladesh Automated Clearing House facilities etc. These services have surely added new dimensions and have offered new and advanced means of banking to the clients. SBL is looking forward to expand its area of operation from urban to rural by introducing new customized products and services that are tailored to different economic classes of people of the society in order to bring the un-banked people into banking channels. That is why our customer-base has been steadily expanding over the years.

Branding

To increase brand visibility by creating positive image of the bank, SBL is undoubtedly gaining momentum in its day-to-day activities to implement the slogan "Setting a New Standard in Banking" by strengthening the Bank's financial capability to an international standard, increasing the brand image, and practicing high degree of planned corporate good governance. During the year under report, Eight (08) new branches have been opened and state-of-the-art IT services has been introduced to offer better banking services to the existing and prospective clients.

Information Technology

Technology is considered as one of the strategic pillars and key factors of the Bank towards achieving goals of the Bank. We must keep innovating to offer our customers with new and better solu-

tions, 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 fifty three (53) ATMs mainly at our branch locations so that customers can have access regardless of banking hours and holidays. We have already connected with National Payment Switch under Bangladesh Bank where our customers can have access to more than 7700 ATMs & more than 16,500 Merchant POS outlets all around the country.

In order to cater the need of customers, SBL Introduced technology savvy services like Branch PoS, Internet Banking, SMS Banking, SBL EXPRESS Booth which is incorporated with ATM & CDM Machines etc. By using secured Internet Banking service anyone can check their account balance, printed statement and transfer fund easily from anywhere around the country through using Internet. SMS Banking service provides instant notifications about all transactions as and when it happens. It helps SBL clients to keep a watch on their account with a round the clock service. Moreover, it helps know the balances and mini statements instantly through sending Push-Pull SMS. During the year with the approval of Bangladesh Bank, SBL has introduced mobile banking as a brand name "SPOT CASH" throughout the country which is completely a new addition to its existing services. The "SPOT CASH" Mobile Account model of SBL works on the fundamental principle of giving everyone an access to a bank account and adding value to lifestyle of customers irrespective of social strata in Bangladesh. SBL already deployed eighty one (81) units of Branch PoS and will incorporate all branches of SBL by the year 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 2016. During the year 2016, a sum total of Taka 669.02 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 2016, our 1992 employees worked together to make possible the technological advancement, expansion and modernization plan that were set for achievement. Our efforts are focused on the delivery of quality services in all areas of activities with the aim to add increased value to shareholders' investment and offer highest possible convenience and benefits to our customers. I am content that the sewing together of, firstly, our bank's vision and, secondly, the strategies along with the KPIs and roll out plan of the models-occurred one after the other in a natural succession flow, giving the employees readiness to the changes. We always pay due attention to retain professional human capital by providing competitive fringe benefits and better working environment to excel further. Competent and quality workforce is a precondition for continuous growth and success of the bank. As a bank, we always focus on attracting, developing and motivating the very best individuals and encouraging our internal talents. Building a robust and productive workforce is crucial to our technology oriented work environment.

Capital Adequacy

To manage the overall risk exposure of the bank, our primary focus has always been to reinforce our risk management policy with a strong internal control system. Our Capital Adequacy Ratio has remained consistently above the threshold (10% of RWA) of Minimum Capital requirement which stood at Solo-11.54 % Consolidated-11.38% as on 31 December 2016 with fresh injection of capital through issuing subordinate bond of Tk. 200 Crore. To meet up the compliance of BASEL-III deadline, with consent

of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, Standard Bank Limited is going to be issued another "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT" for 07(Seven) years where IDLC Capital Management Limited act as a "Trustee" for BDT 400.00 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 80.10 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 51.80 million in 2015 to reaffirm the commitments of the Bank towards society.

SME & Agricultural Investment

Due emphasis was given on SME and Agricultural Financing that stood at Taka 9649 million in 2016 as compared to Taka 7,822 million in 2015 which is a tremendous growth of 23.36%.

Performance

The country experienced slower investment demand in 2016 resulting in substantial amount of surplus liquidity in the banking industry. Despite such scenario, the year 2016 SBL maintained and achieved a stable position in all key areas of its operations overcoming manifold challenges. Out of 112 Branches, Operating Performance of 2016 of some Branches may be mentioned as under:

(i) 34 Branches achieved 100% Deposit Target, (ii) 46 Branches achieved 100% Investment Target, (iii) 3 Branches achieved 100% Foreign Exchange Business Target, and (iv) 31 Branches achieved 100% Profit Target as set out for the year 2016. 32 Branches which incurred loss during the year are expected to be brought under profit club by June 2017. Capital of the Bank stood at Tk. 13,773 million compared to Tk. 14,246 million in 2015. Total Deposit and total Asset of the Bank stood at Tk. 1,22,554 million and Tk. 1,52,789 million respectively in 2016 compared to Tk. 1,06,932 million and Tk. 1,32,370 million in 2015. The Bank achieved 15% growth in investment with a total investment portfolio of Tk. 105,039 million in 2016 compared to Tk. 91,486 million in 2015. Import business of the Bank stood at Tk. 55,684 million in 2016 with 8% growth over the previous year Tk. 51,491 million, while Export business of the Bank stood at Tk. 38,506 million in 2016 which is declined 11% than that of previous year Tk. 38,747 million. Total Foreign Remittance was Tk. 5,764 million in 2016 with 41% negative growth over the previous year Tk. 9,781 million. Total Foreign Exchange business of the Bank was Tk. 94,190 million in 2016 which is increased 4% than that of the previous year Tk. 90,237 million. The classified investment of the Bank increased to 3.23% from 3.62% in 2016 and finally registered an operating profit of Tk. 3,223 million in the year 2016 which was defined 2% compared to Tk. 3,275 million in 2015. In the Year 2016, eight (08) new Branches were opened and SBL became the Bank comprising of 112 Branches. Total manpower of the Bank is 1992. Operat-

ing Profit Ratio of 2016 was 25% compared to 24% in 2015. In the year under review, country's money market was soft and domestic lending rates have fallen. Return on equity was 8.66% in 2016 against 13.91% in 2015. Current ratio for the year 2016 was 1.12 times which has been almost steady since long. The Bank was more levered In 2016 (Debt equity ratio 11.15 times) compared to 2015 (ratio 10.53 times). Cost of Deposit was 6.32% in 2016 compared to 7.69% in 2015. Return on Average Assets was 0.76% in 2016 against 1.27% in 2015. At the end of year 2016, EPS and PE Ratio was Taka 1.44 and 8.25 times respectively compared to Taka 2.43 and 3.78 times in 2015.

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. We have opened 07(Seven) SME branches across the country at strategically Important locations. In agriculture and non-farm sectors we have taken new Initiatives to make lending collateral free as much as possible. This year Standard Bank has initiated 'Agent Banking' operation to provide financial service for nonbank people.

Outlook 2017

From the beginning of the year 2016, 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 2017 another success, SBL is ready to accept the challenges of 2017 with new visionary zeal to achieve the common objectives of the Bank and, hence, the year 2017 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 2017, which is realistic and challenging. The Business Target for the year 2017 is featured by setting of (i) Client Deposit- Tk. 14,142.63 crore (ii) Investment-Taka 2931.23 crore (iii) Foreign Exchange Business - Taka 10,463.25 crore & (iv) Operating Profit - Taka 500 crore. To achieve success in the year, SBL has undertaken the following short-term strategies side by side the mid-term and long-term strategies:

- To open new Branches in important urban/ rural areas of Bangladesh.
- To increase ATM facilities.
- To strengthen the automation procedures of the Bank.
- To increase number of AD Branches.
- To enhance the CSR activities in line with the Bank's CSR policy.
- To undertake special recovery drive.
- To conduct special program 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 2017. 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) In2016 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 2017 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 Seventeen.

May the Almighty ALLAH bestow His choicest blessings on all of us.

Mamun Ur Rashid
Managing Director & CEO

REPORT ON HUMAN CAPITAL



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.

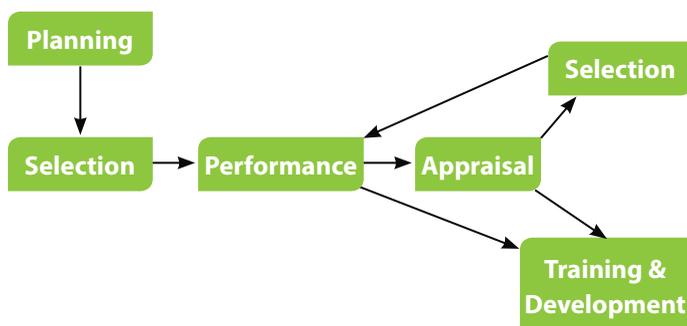
Human Resource Management as a Strategic Function

Strategic Human Resource Management is an endeavor to managing human resources that supports long-term business goals and outcomes with a strategic framework. 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.

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 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 a vital resource for competitive advantage. In order to gain employees trust, improve their commitment and motivation and prolong their stay in the organization, SBL HR provides opportunities for them to develop their careers. Standard Bank Ltd. has completed its successful business year i.e. 2016 with 1992 employees. Every year, SBL recruits number of efficient employees to achieve organizational goals. The growth rate of employment in 2016 was 24.19%.

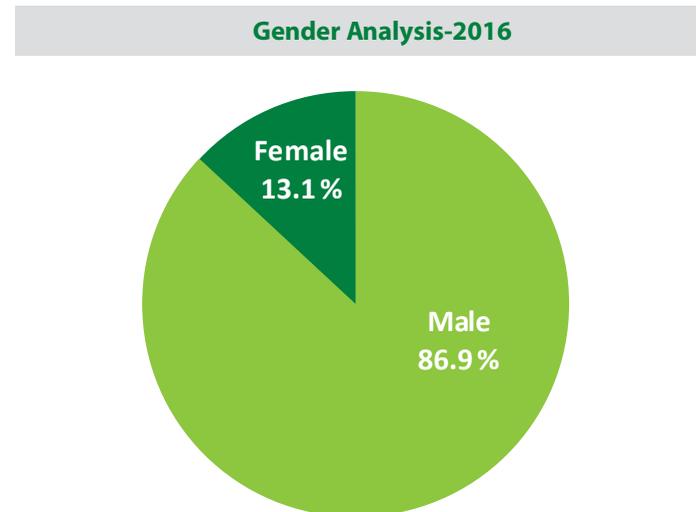
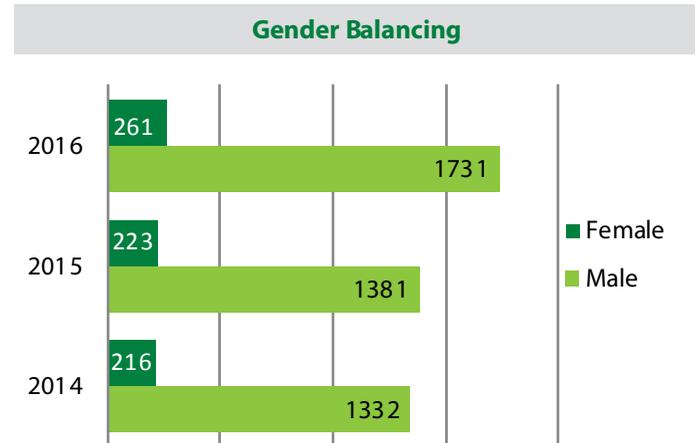
Succession Planning:



Succession planning is a continual process for monitoring, training and developing potential internal talents to make them new leaders for key positions in future. 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.

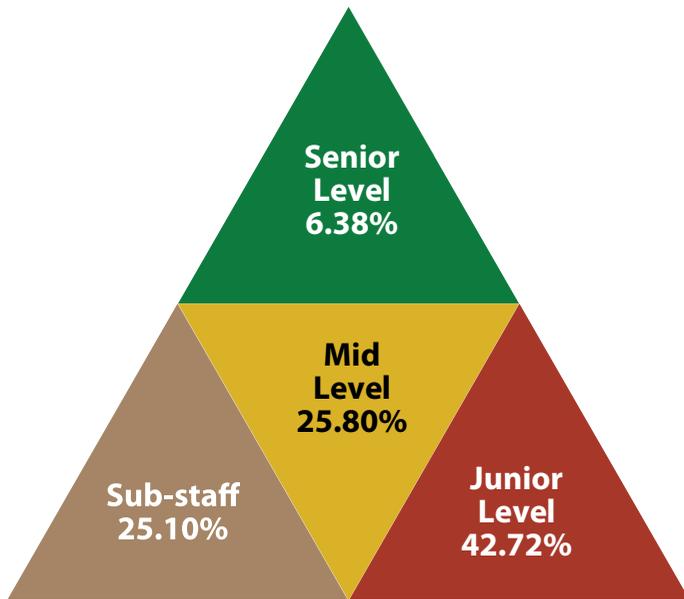
Gender Balancing:

Standard Bank Ltd. is always committed to provide a congenial environment to the employees with equal opportunity for learning and personal growth. The ratio of male and female employees has been increasing over the year. Currently, there are 261 female employees in the bank. The female participation in the employment in 2016 was 13.10%.



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 6.38% employees are in senior level, 25.80% are in mid-level, 42.72% are in junior level and rest of 25.10% are in ancillary level.



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 is the management of the human resource function.

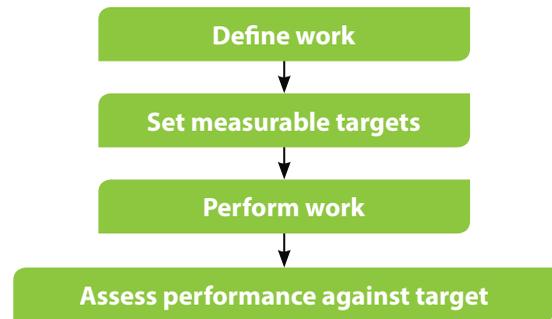
To achieve the desired goals and to hold values, SBL management focuses managing an efficient human capital inventory. The changes in employee level over the last 3 years are as follows:

Particulars	2016	2015	2014
Total Employee at the beginning	1604	1548	1365
Number of Newly Recruited Employee	445	97	250
Departures (Retirement/Resignation etc.)	57	41	67
Total Employee at the end	1992	1604	1548

People, Organizations and Employment

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

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 2016, total number of promoted employees of SBL to next higher grade is 316 which is ever higher as compared to previous years. Besides, SBL, in recognition of outstanding performance, appreciates employees in the form of special promotion to create a rewarding and competitive culture within the bank.

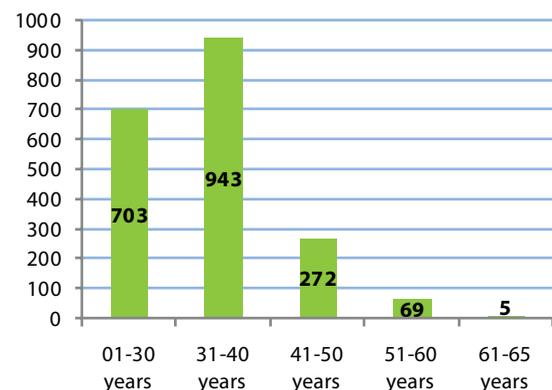
Motivation and Commitment at Work

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

Age wise Employees

Status quo attitude is the main bottleneck in bringing new ideas, innovations. Organizations, that's 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.

Age-wise Distribution in 2016



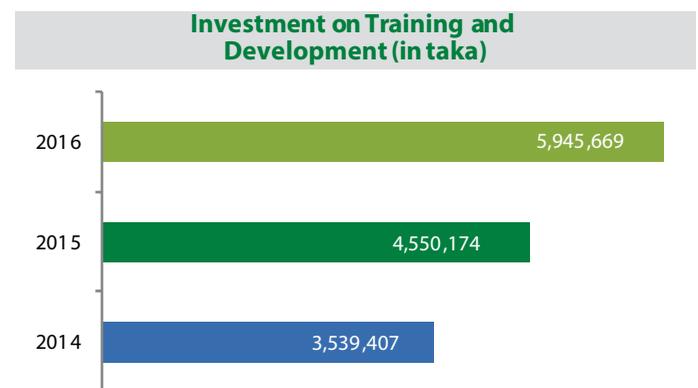
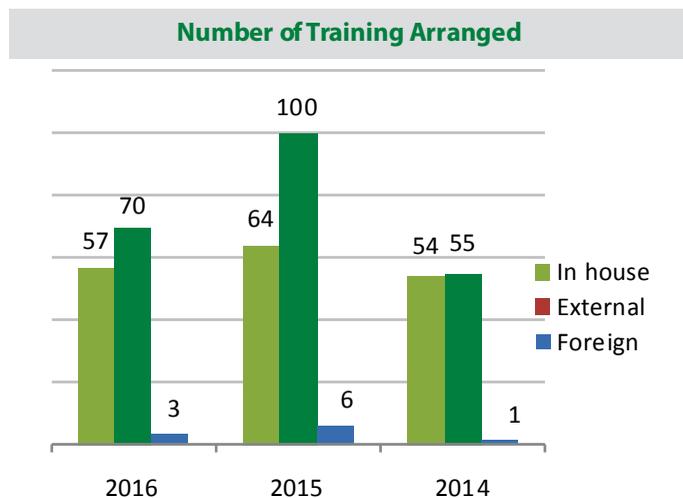
Training and Development

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.

SB Training Institute focuses to research and planning for analytical review of bank’s operational achievement and performances to review the management and set strategy to sustain and improve bank’s qualitative growth to build up public image and prestige. Since the training institute is mainly entrusted with the responsibility of imparting training, a tailor-made training courses have been designed to equip 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:

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:



Name of Institution	Number of Training Programs	Number of Participants
Internal		
Standard Bank Training Institute	57	1800
External		
BAB	9	17
BBTA	27	43
BIBM	18	45
FinExcel	4	5
Leads	2	2
Others	10	20
Total (In Bangladesh)	70	132
Foreign	3	4
Total	130	1936

HUMAN RESOURCE ACCOUNTING

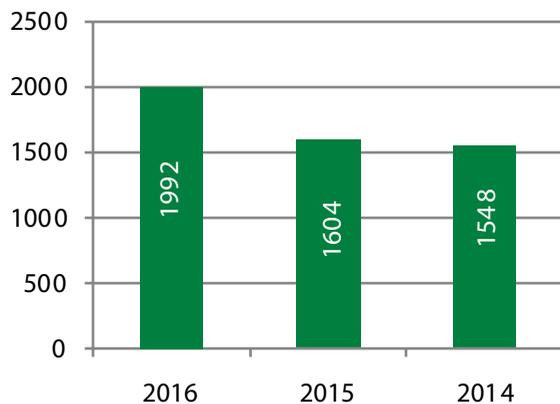
Human Resource Accounting involves measuring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. It also involves measuring the economic value of people to the organization. It is the measurement of the cost and value of people to organizations. Nowadays this 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.

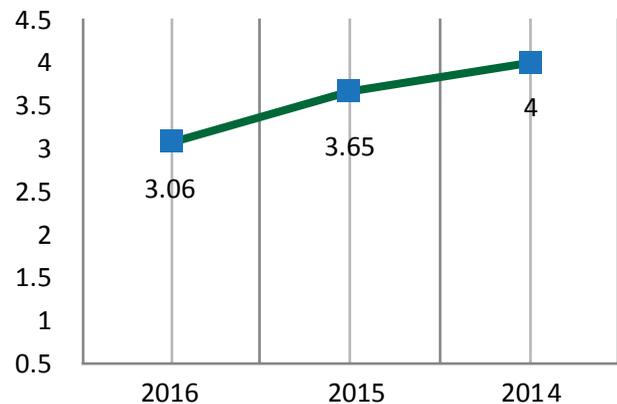
Particulars	2016	2015	2014
Total Employees	1992	1604	1548
Operating Revenue Per Employee (Million in Tk.)	3.06	3.65	4.00
Net Profit before Taxes per Employee (Million in Tk.)	1.12	1.64	1.37
Net Income Per Employee (Million in Tk.)	0.63	1.01	0.80
Asset Per Employee (Million in Tk.)	76.70	82.52	77.48
Direct Investment in Human Capital (Million in Tk.)	1642.16	1629.65	1500.33
Training & Development Expenditure (Tk.)	5945669	4550174	3539407
Training & Development Expenditure Per Employee (Tk.)	2985	2837	2286
Employee Turnover Rate	3.17	2.60	4.33

Graphical Presentation of Some Human Capital Issues:

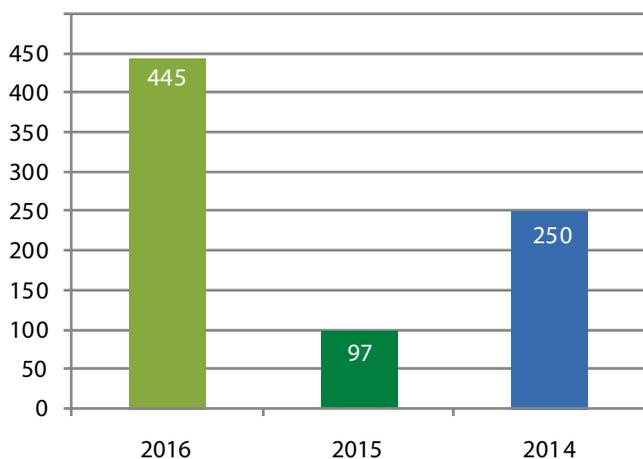
Total Employees



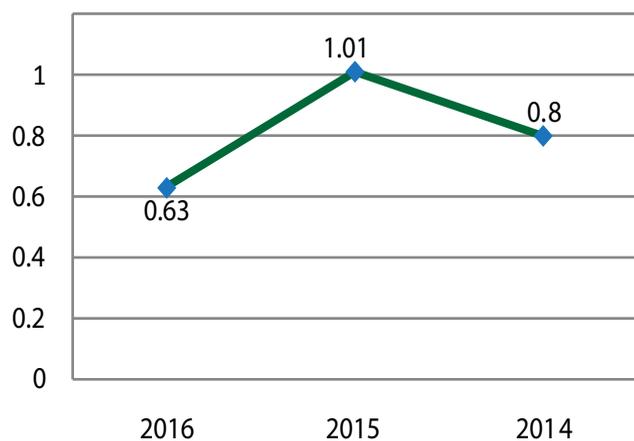
Operating Revenue Per Employee (Tk. In million)



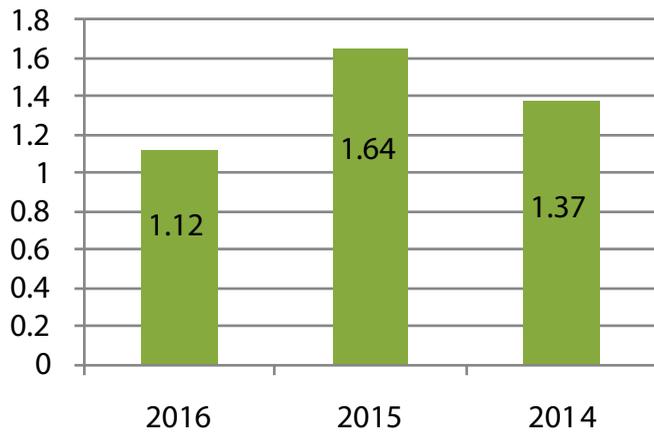
Newly Recruited Employees



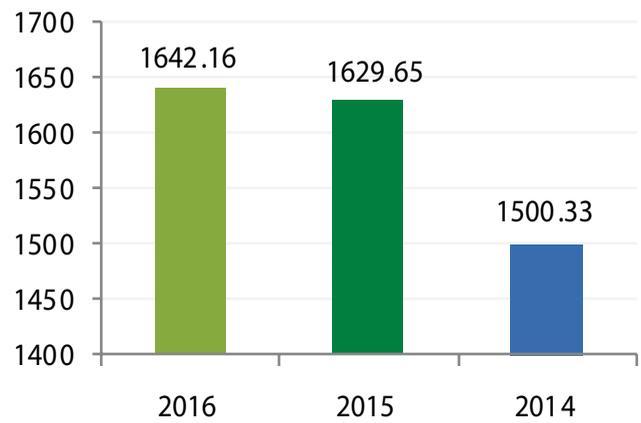
Net Profit Per Employee (Tk. In million)



Net Profit before Taxes per Employee (Tk.In million)



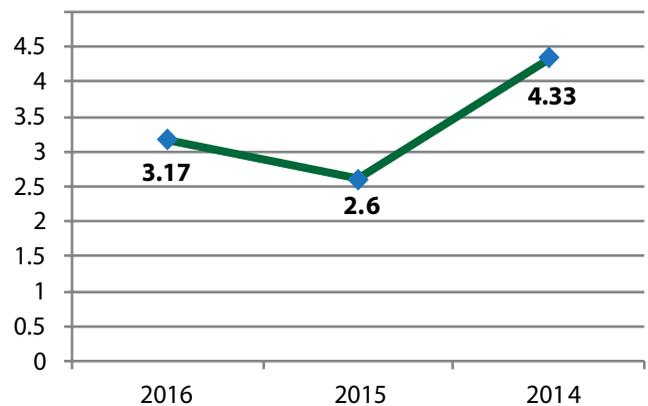
Direct Investment in Human Capital (Tk.In million)



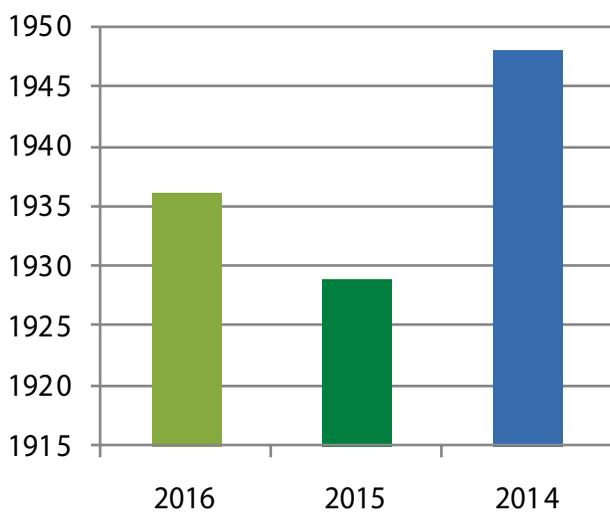
Asset Per Employee (Tk. In Million)



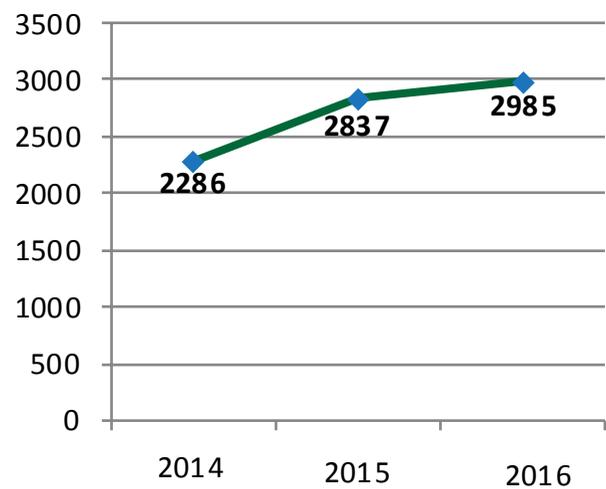
Employee Turnover Rate



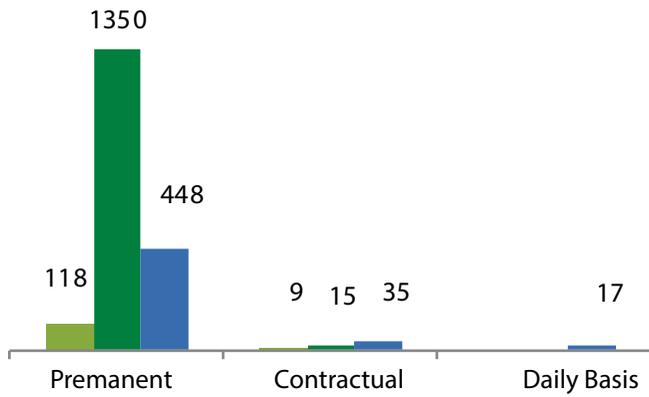
Number of Training Attendees



Training & Development Expenditure Per Employee



Type-wise Number of Employees in 2016



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 2016, SBTI conducted 57 training & development programs for 1800 executives/officers on Cash Management, Credit & Advances, Foreign Exchange and General Banking.



VERTICAL ANALYSIS

For the last 5 years

Consolidated Statement of Financial Position

Particulars	Amount in Taka				
	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016
PROPERTY & ASSETS					
CASH	5.85%	6.01%	6.13%	5.45%	5.54%
Cash in Hand (including foreign currencies)	0.70%	0.79%	0.73%	0.63%	0.63%
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)	5.15%	5.22%	5.40%	4.82%	4.91%
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS					
	2.79%	2.17%	1.71%	1.72%	0.81%
In Bangladesh	1.28%	1.61%	1.07%	1.44%	0.36%
Outside Bangladesh	1.51%	0.56%	0.64%	0.28%	0.44%
MONEY AT CALL AND ON SHORT NOTICE	2.97%	0.92%	0.21%	0.81%	0.12%
INVESTMENTS	18.63%	17.55%	16.55%	14.44%	16.71%
Government	15.30%	15.05%	14.26%	10.99%	10.28%
Others	3.32%	2.51%	2.30%	3.45%	6.44%
LOANS AND ADVANCES / INVESTMENTS	65.20%	67.94%	67.08%	69.11%	68.75%
Loans, Cash Credits, Over Draft etc./ Investments	63.95%	66.80%	66.34%	67.97%	67.21%
Bills Purchased and Discounted	1.25%	1.14%	0.73%	1.14%	1.54%
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURE	0.62%	0.61%	2.86%	2.62%	2.30%
OTHER ASSETS	3.95%	4.80%	5.46%	5.85%	5.77%
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	4.57%	3.62%	2.80%	0.84%	3.46%
DEPOSITS AND OTHER ACCOUNTS	80.65%	80.56%	81.13%	80.78%	80.21%
Current / Al-Wadeeah Deposits & Other Deposits	9.62%	8.14%	9.03%	10.05%	9.76%
Bills Payable	0.96%	0.77%	0.96%	0.94%	1.90%
Savings Bank / Mudaraba Savings Deposits	3.13%	3.43%	4.01%	4.60%	5.26%
Short Term Deposits / Mudaraba Short Term Deposits	4.52%	2.51%	2.54%	2.35%	3.02%
Fixed Deposits / Mudaraba Term Deposits	55.63%	57.30%	57.75%	56.39%	54.35%
Deposits Under Schemes / Mudaraba Deposit Schemes	6.80%	8.41%	6.84%	6.45%	5.91%

Particulars	Amount in Taka				
	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016
OTHER LIABILITIES	6.07%	7.31%	7.82%	9.71%	8.10%
TOTAL LIABILITIES	91.29%	91.49%	91.76%	91.33%	91.77%
CAPITAL / SHAREHOLDERS' EQUITY					
Paid-up Capital	5.16%	5.22%	4.75%	4.95%	4.94%
Statutory Reserve	2.64%	2.67%	2.73%	2.84%	2.73%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Revaluation Reserve on Investment	0.02%	0.07%	0.02%	0.01%	0.02%
Surplus in Profit and Loss Account/ Retained earnings	0.89%	0.55%	0.73%	0.87%	0.55%
TOTAL SHAREHOLDERS' EQUITY	8.71%	8.51%	8.24%	8.67%	8.23%
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				
	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016
PROPERTY & ASSETS					
CASH	200.00%	247.64%	214.86%	193.58%	233.70%
Cash in Hand (including foreign currencies)	100.00%	130.27%	101.20%	95.05%	116.21%
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)	100.00%	117.37%	113.67%	98.52%	117.49%
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	200.00%	188.21%	198.76%	197.09%	214.05%
In Bangladesh	100.00%	145.30%	72.88%	149.64%	29.10%
Outside Bangladesh	100.00%	42.92%	125.88%	47.45%	184.95%
MONEY AT CALL AND ON SHORT NOTICE	100.00%	36.07%	24.75%	428.00%	17.76%
INVESTMENTS	100.00%	17.55%	16.55%	14.44%	16.71%
Government	100.00%	113.77%	104.08%	85.04%	107.97%
Others	100.00%	87.30%	100.61%	165.76%	215.27%
LOANS AND ADVANCES / INVESTMENTS	200.00%	226.14%	179.98%	285.08%	269.01%

Particulars	Amount in Taka				
	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016
Loans, Cash Credits, Over Draft etc./ Investments	100.00%	120.86%	109.09%	113.08%	114.14%
Bills Purchased and Discounted	100.00%	105.28%	70.89%	172.01%	154.87%
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURE	100.00%	113.39%	517.26%	101.23%	101.23%
OTHER ASSETS	100.00%	140.63%	124.93%	118.21%	113.88%
NON-BANKING ASSETS					
TOTAL ASSETS	100.00%	115.71%	109.84%	110.37%	115.43%
LIABILITIES & CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	100.00%	91.72%	84.90%	33.21%	473.51%
DEPOSITS AND OTHER ACCOUNTS	600.00%	644.67%	698.23%	671.28%	843.46%
Current / Al-Wadeeah Deposits & Other Deposits	100.00%	97.90%	121.89%	122.83%	112.11%
Bills Payable	100.00%	93.46%	137.03%	107.73%	233.72%
Savings Bank / Mudaraba Savings Deposits	100.00%	126.84%	128.20%	126.63%	132.08%
Short Term Deposits / Mudaraba Short Term Deposits	100.00%	64.18%	111.04%	102.21%	148.62%
Fixed Deposits / Mudaraba Term Deposits	100.00%	119.19%	110.71%	107.77%	111.25%
Deposits Under Schemes / Mudaraba Deposit Schemes	100.00%	143.10%	89.36%	104.10%	105.69%
OTHER LIABILITES	100.00%	139.44%	117.55%	136.93%	96.35%
TOTAL LIABILITIES	100.00%	115.96%	110.15%	109.86%	115.98%
CAPITAL / SHAREHOLDERS' EQUITY					
Paid-up Capital	5.16%	117.00%	100.00%	115.00%	115.00%
Statutory Reserve	2.64%	116.94%	112.65%	114.44%	111.24%
General Reserve	0.00%				
Revaluation Reserve on Investment	0.02%	440.07%	35.35%	62.40%	144.59%
Surplus in Profit and Loss Account/ Retained earnings	0.89%	71.72%	145.99%	130.60%	72.65%
TOTAL SHAREHOLDERS' EQUITY	100.00%	113.03%	106.42%	116.06%	109.58%
Minority Interest	0.00%	229.10%	108.94%	105.88%	102.99%
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	100.00%	115.71%	109.84%	110.37%	115.43%

HORIZONTAL ANALYSIS

For the last 5 years

Consolidated Statement of Comprehensive Income

Particulars	Amount in Taka				
	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016
Interest Income / Profit on Investment	100%	116%	106%	90%	97%
Interest / Profit paid on Deposits & Borrowings etc.	100%	122%	97%	91%	89%
Net Interest / Net Profit on Investments	100%	-7%	9%	-1%	8%
Investment Income	100%	161%	116%	103%	82%
Commission, Exchange Earnings & Brokerage	100%	100%	98%	94%	102%
Other Operating Income	100%	122%	105%	111%	108%
TOTAL OPERATING INCOME (A)	100%	112%	123%	95%	104%
Salary & Allowances	100%	124%	144%	109%	104%
Rent, Taxes, Insurance, Electricity etc.	100%	145%	112%	122%	119%
Legal Expenses	100%	49%	203%	103%	248%
Postage, Stamp, Telecommunication etc.	100%	117%	89%	104%	107%
Stationery, Printing, Advertisement etc.	100%	106%	58%	108%	118%
Managing Director's salary & fees	100%	100%	100%	102%	91%
Directors' Fee & Other benefits	100%	140%	102%	82%	130%
Audit Fees	100%	189%	121%	50%	260%
Charges on loan losses	100%				
Depreciation and Repair of Bank's Assets	100%	114%	129%	99%	113%
Other Expenses	100%	122%	87%	110%	139%
TOTAL OPERATING EXPENSES (B)	100%	124%	126%	110%	111%
Profit / (Loss) Before Provision (C) = (A - B)	100%	106%	121%	85%	98%
Specific Provision	100%	206%	228%	31%	156%
General Provision	100%	363%	91%	27%	395%
Provision for Off-Balance Sheet items	100%	290%	10%	268%	221%
Provision for diminution in value of investments	100%	2%	2803%	286%	48%
Provision for impairment of client margin loan	100%			61%	185%
Other Provision	100%	1%	4575%	126%	0%
Total Provision (D)	100%	193%	202%	38%	155%
Total Profit / (Loss) before Taxes (E)=(C - D)	100%	-87%	-81%	48%	-56%
Provision for Taxation	100%	165%	278%	198%	241%
Current Tax	100%	108%	68%	114%	110%
Deferred Tax	100%	58%	210%	85%	131%
Net Profit / (Loss) after Taxation :	100%	76%	120%	132%	68%
Retained earnings brought forward from previous year	100%	2153%	271%	74%	693%
Net Profit available for distribution	100%	77%	122%	130%	77%
Appropriations :					
Statutory Reserve	100%	85%	87%	129%	89%
Proposed Bonus Shares	100%				
Retained Earnings carried forward	100%	72%	146%	131%	73%
Earning per Share (EPS):	100%	76%	120%	99%	68%

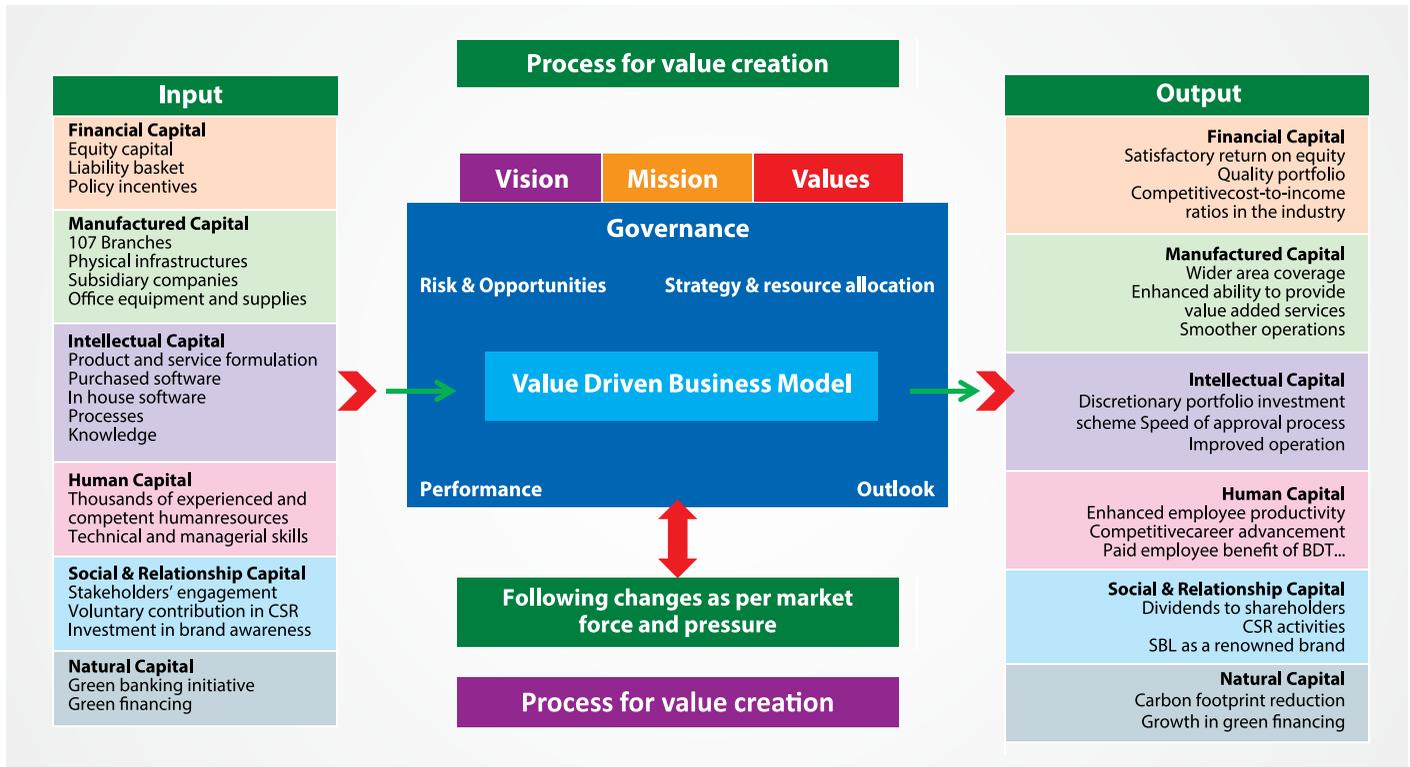
VERTICAL ANALYSIS

For the last 5 years

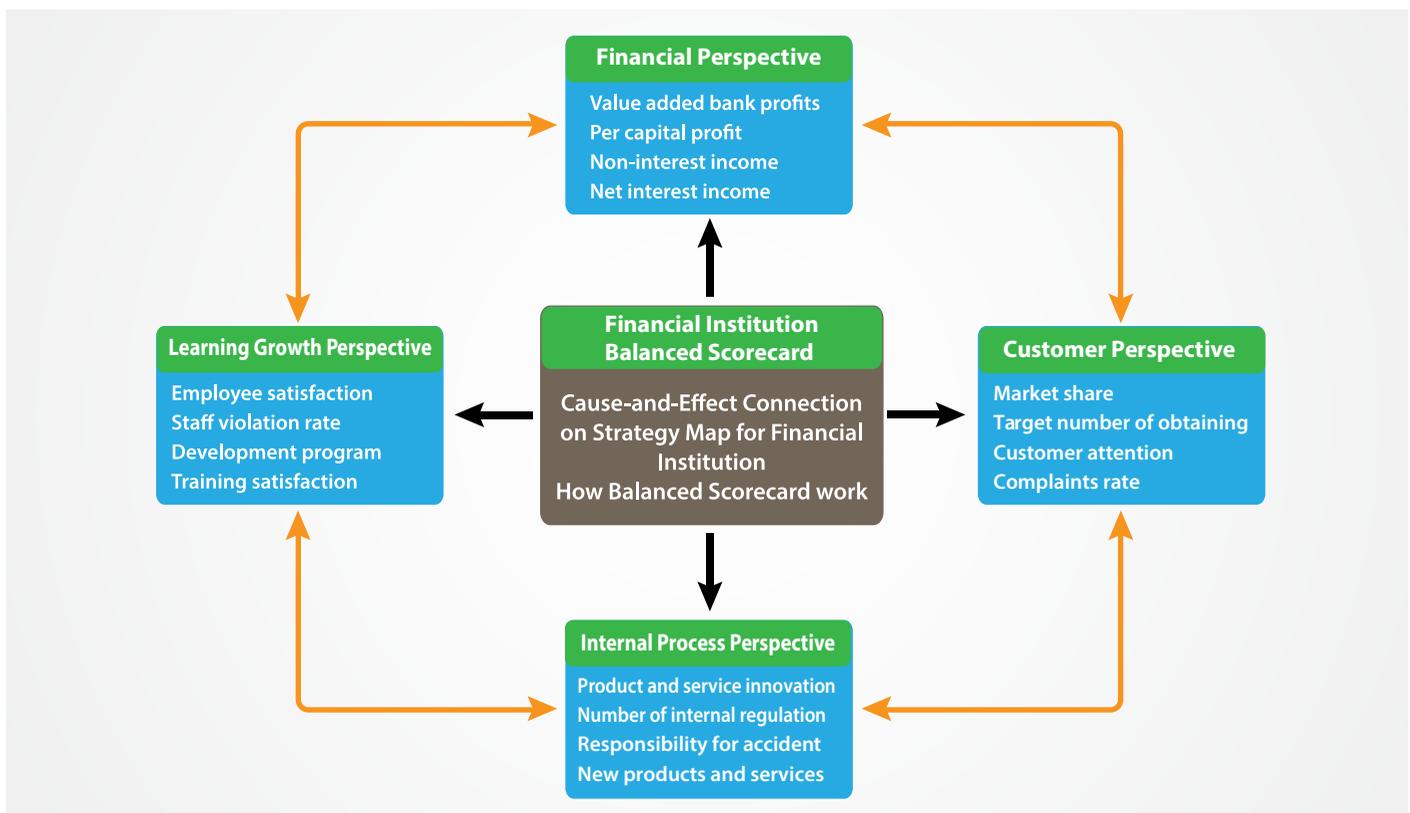
Consolidated Statement of Comprehensive Income

Particulars	Amount in Taka				
	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016
Interest Income / Profit on Investment	81.56%	79.79%	79.34%	77.36%	78.71%
Interest / Profit paid on Deposits & Borrowings etc.	82.75%	82.56%	78.47%	75.11%	70.79%
Net Interest / Net Profit on Investments	20.01%	16.15%	21.24%	20.26%	25.36%
Investment Income	8.46%	11.47%	12.53%	14.03%	12.03%
Commission, Exchange Earnings & Brokerage	8.31%	7.02%	6.43%	6.57%	6.97%
Other Operating Income	1.67%	1.72%	1.69%	2.04%	2.29%
TOTAL OPERATING INCOME (A)	38.45%	36.36%	41.90%	42.91%	46.66%
Salary & Allowances	9.63%	9.70%	13.64%	15.62%	17.18%
Rent, Taxes, Insurance, Electricity etc.	2.25%	2.67%	2.92%	3.76%	4.69%
Legal Expenses	0.08%	0.03%	0.06%	0.07%	0.17%
Postage, Stamp, Telecommunication etc.	0.30%	0.29%	0.25%	0.27%	0.31%
Stationery, Printing, Advertisement etc.	0.91%	0.78%	0.45%	0.51%	0.63%
Managing Director's salary & fees	0.09%	0.08%	0.08%	0.08%	0.08%
Directors' Fee & Other benefits	0.07%	0.08%	0.08%	0.07%	0.09%
Audit Fees	0.01%	0.01%	0.01%	0.01%	0.02%
Charges on loan losses	0.00%	0.00%	0.35%	0.39%	0.42%
Depreciation and Repair of Bank's Assets	1.21%	1.13%	1.42%	1.49%	1.78%
Other Expenses	2.70%	2.68%	2.28%	2.63%	3.85%
TOTAL OPERATING EXPENSES (B)	17.25%	17.44%	21.53%	24.89%	29.21%
Profit / (Loss) Before Provision (C) = (A - B)	25.62%	22.92%	25.96%	23.99%	24.65%
Specific Provision	3.57%	6.00%	13.36%	4.35%	7.12%
General Provision	0.42%	1.23%	1.10%	0.31%	1.28%
Provision for Off-Balance Sheet items	0.29%	0.69%	0.07%	0.19%	0.44%
Provision for diminution in value of investments	0.47%	0.01%	0.23%	0.69%	0.34%
Provision for impairment of client margin loan	0.00%	0.00%	0.76%	0.49%	0.96%
Other Provision	0.29%	0.00%	0.15%	0.20%	0.00%
Total Provision (D)	5.04%	7.93%	15.66%	6.22%	10.14%
Total Profit / (Loss) before Taxes (E)=(C - D)	21.87%	16.81%	14.37%	19.26%	17.01%
Provision for Taxation	14.10%	12.35%	8.31%	9.95%	11.53%
Current Tax	14.02%	12.31%	8.24%	9.89%	11.44%
Deferred Tax	0.07%	0.03%	0.07%	0.06%	0.09%
Net Profit / (Loss) after Taxation :	11.38%	7.29%	8.21%	11.69%	8.32%

HOW WE CREATE VALUE



BALANCED SCORECARD



Standard Bank Limited

VALUE ADDED STATEMENT

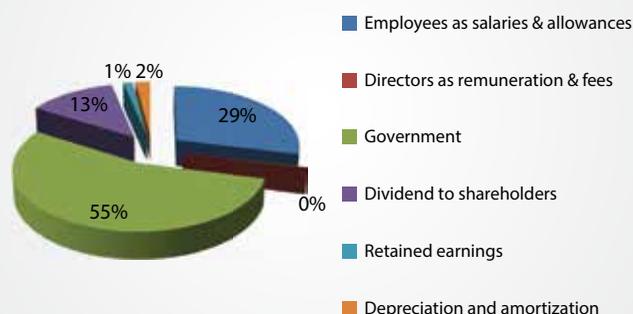
For The Year Ended 31st December 2016

Value added statement shows exactly how much value (wealth) has been created by the bank during 2016 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.

Value Added Statement for the year ended 31st December 2016

Particulars	2016 Taka	2015 Taka
Wealth creation:		
Revenue from Banking services	13,077,881,249	13,652,494,212
Less: Cost of services & supplies	(8,035,776,312)	(10,085,381,819)
	5,042,104,937	3,567,112,393
Non-banking income	-	-
Provision for loans & other assets	871,023,493	523,587,795
Total wealth creation	5,913,128,430	4,090,700,188
Wealth distribution:		
Employees & Directors		
Employees as salaries & allowances	1,700,315,595	1,629,495,229
Directors as remuneration & fees	9,142,543	7,029,954
Government	3,247,574,808	1,195,230,756
Corporate tax	1,008,047,802	987,460,884
Service tax/ Value added tax	2,114,816,356	112,859,702
Excise duties	124,710,650	94,910,170
Shareholders		
Dividend to shareholders	754,101,902	983,611,178
Retention for future business growth		
Retained earnings	78,620,953	163,260,017
Depreciation and amortization	123,372,630	112,073,054
Total Wealth Distribution	5,913,128,430	4,090,700,188

Wealth Distribution-2016



Wealth Distribution-2015



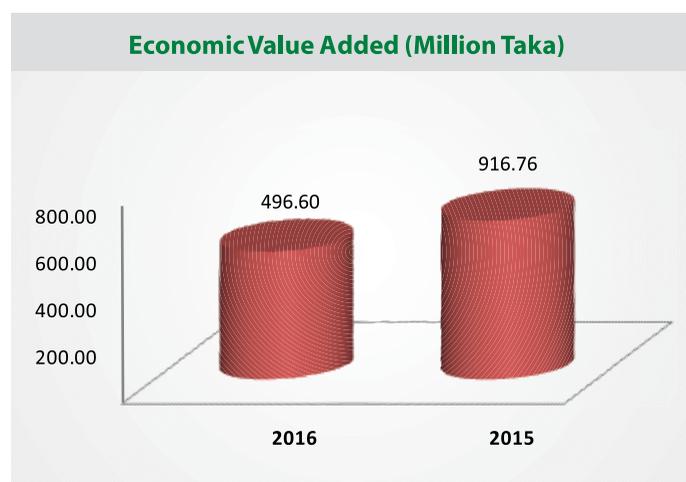
Standard Bank Limited

ECONOMIC VALUE ADDED (EVA) STATEMENT

For The Year Ended 31st December 2016

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 565 million as of December 31, 2016 as against Tk 917 million in 2015. 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 7 years treasury bond issued by Bangladesh Government plus 2% risk premium.

Particulars	2016 Taka	2015 Taka
Shareholders equity	12,572,598,259.98	11,474,101,408.71
Add: Accumulated provision for loans & advances and other assets	2,956,659,001.66	2,514,376,746.00
Capital Employed	15,529,257,261.64	13,988,478,154.71
Average Capital Employed / Shareholders' equity	12,023,349,834.35	8,754,748,128.90
Earnings:		
Profit after tax	1,088,201,034.67	1,596,425,236.93
Add: Provision for loans & advances and other assets charged during the year	999,431,841.81	645,782,978.67
Less: Written off loans during the year	413,482,150.00	428,087,935.00
Net earnings	1,674,150,726.48	1,814,120,280.61
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	10.06%	13.00%
Capital charge (Cost of average equity)	1,209,548,993.34	897,361,683.21
Economic Value Added	464,601,733.15	916,758,597.39



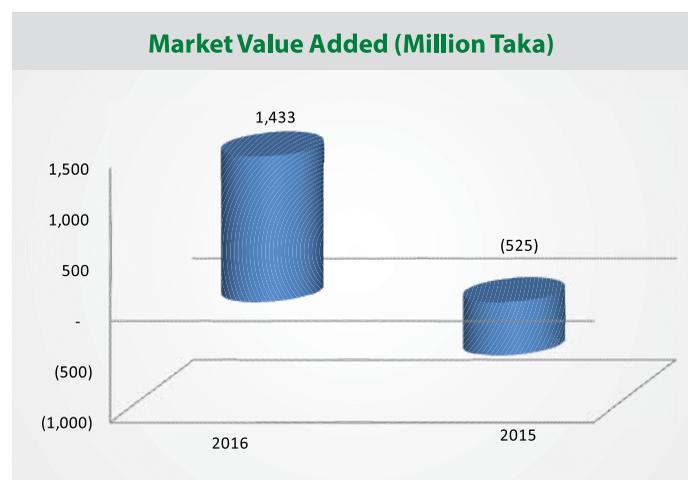
Standard Bank Limited

MARKET VALUE ADDED (MVA) STATEMENT

For The Year Ended 31st December 2016

Market Value Added (MVA) is the difference between the current market value of the Bank and the capital contributed by shareholders. It reflects the bank's performance which is evaluated on the 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 indicates that the bank has created substantial wealth for its shareholders. On the other hand, negative MVA indicates that the wealth of the bank is lower than the capital contributed by the investors.

Particulars	2016	2015
Face value per share (BDT)	10.00	10.00
Market value per share (BDT)	11.90	9.20
Number of shares outstanding	754101902	655740785
Total market capitalization (BDT million)	8,974	6,033
Book value of paid up capital (BDT million)	7,541	6,557
Market value added (BDT million)	1,433	(525)



STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

For The Year Ended 31st December 2016

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, LankaBangla contributes to the Government Exchequer when the necessary amounts fall due. For the year 2016, LankaBangla Finance and its subsidiaries made a handsome contribution to Government Exchequer of an amount equal to BDT 2112 million, composed of income tax, withholding tax, VAT, withholding VAT and excise duty. This is in comparison to BDT 1834 million in 2015, reflecting its fair and consistent commitment towards national contribution.

GOVT. Exchequer		
Particulars	2016	2015
Income Tax	1,857,964,816	1,674,638,562
Salary	50,825,903	38,205,819
Interest on savings deposit	601,287,267	686,204,644
Payment of Supplier	13,697,901	9,295,834
House Rent	3,816,911	3,722,935
IT on Subordinate Bond	11,500,000	-
Advance IT on LC commission	8,395,834	8,134,050
Advance Corporate Tax	853,282,425	677,087,477
Return Submission	23,658,936	38,936,119
Cash Subsidy	13,997,358	14,605,760
Payment for Professional & Technical Services	457,257	576,272
IT on Local LC	23,042,785	20,274,788
Others	254,002,240	177,594,864
VAT	144,203,088	90,935,817
House Rent	29,012,176	17,426,162
LC Commission	44,072,761	20,079,130
Procurement of goods and services	25,471,220	20,783,812
Legal, Professional & Technical Fees	1,020,898	895,776
Director Fees	310,846	201,810
VAT on Banking Service	44,315,188	31,549,127
Excise duty	109,910,170	68,723,050
Total Paid to Government Exchequer	2,112,078,074	1,834,297,429

5 -YEARS FINANCIAL HIGHLIGHTS

Figure in Million Taka

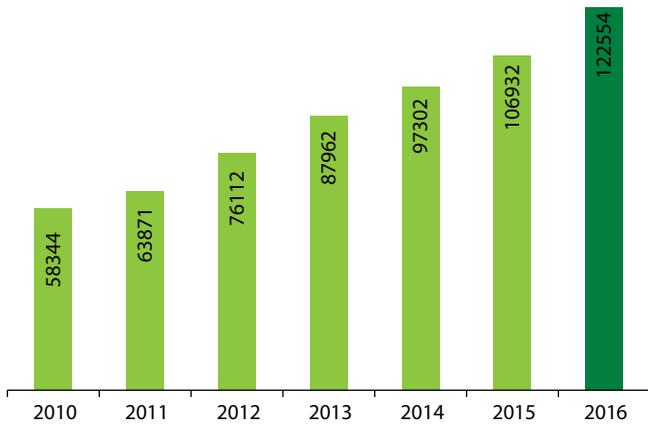
Particulars	2012	2013	2014	2015	2016
Interest Income	9,554	11,067	11,721	10,561	10,293
Interest Expenses	7,210	8,827	8,563	7,793	6,976
Net Interest Income	2,344	2,240	3,158	2,766	3,317
Non-Interest Income	2,160	2,804	3,000	3,091	2,785
Non-Interest Expense	1,503	1,864	2,323	2,583	2,878
Net Non-Interest Income	657	939	677	509	-93
Profit before Provision & Tax	3,001	3,179	3,835	3,275	3,224
Provision for Loans & Assets	439	848	1,713	646	999
Profit after provision before Tax	2,561	2,331	2,122	2,629	2,224
Provision for Tax (Including Deferred Tax)	1,228	1,320	909	1,033	1,136
Profit after Tax	1,333	1,011	1,213	1,596	1,088
Balance Sheet					
Authorised Capital	15,000	15,000	15,000	15,000	15,000
Paid-up Capital	4,874	5,702	5,702	6,557	7,541
Shareholders' Equity (Capital & Reserve)	8,220	9,289	9,886	11,474	12,573
Borrowings	4,315	3,958	3,360	3,247	5,284
Deposits	76,077	87,962	97,302	106,932	122,554
Other Liabilities	6,083	7,982	9,383	10,669	12,379
Liquid Assets	28,535	29,106	29,504	29,669	35,419
Money At Call & On Short Notice	2,800	1,010	250	1,070	190
Loans & Advances	61,528	74,181	80,449	91,487	105,039
Investments	16,778	19,168	19,854	19,109	25,533
Fixed Assets	585	663	3,431	3,473	3,516
Other Assets	4,048	5,241	6,548	7,692	8,815
Total Assets (Excluding off-balance sheet items)	94,696	109,191	119,932	132,321	152,789
Net Asset Value (NAV)	8,221	9,289	9,886	11,474	12,573
Off-Balance Sheet exposure	19,788	26,525	27,251	29,196	33,487
Others Business					
Import Business	48,500	51,056	53,932	51,491	55,684
Export Business	42,521	42,575	43,587	38,746	38,506
Foreign Remittance	4,676	4,464	6,526	9,781	5,764
Capital Measures					
Total Risk Weighted assets	80,016	95,206	98,976	116,936	121,009
Core Capital (Tier I)	8,208	9,107	9,860	11,044	10,404
Supplementary Capital (Tier II)	815	1,050	1,153	3,202	3,369
Total capital	9,023	10,158	11,013	14,246	13,773
Tier I Capital Ratio	10.26%	9.57%	9.90%	9.44%	8.60%
Tier II Capital Ratio	1.02%	1.10%	1.16%	2.74%	2.78%
Risk Weighted CAR	11.28%	10.67%	11.05%	12.18%	11.38%
Internal Capital Generation Ratio	11.11%	6.86%	9.15%	10.74%	6.93%
Leverage Ratio	10.52	10.75	11.13	10.53	11.15
Credit Quality					
Volume of Non-performing loans	1,539	2,599	2,853	2,959	3,799
SMA loan outstanding	16	373	313	329	440

Particulars	2012	2013	2014	2015	2016
% of NPLs to Total Loans & Advances	2.50%	3.50%	3.55%	3.23%	3.64%
Gross NPL Coverage	55.29%	61.25%	54.36%	53.29%	49.87%
SMA to Credit Portfolio	0.03%	0.50%	0.39%	0.36%	0.42%
Provision for Unclassified Loans	616	748	868	900	1,026
Provision for Classified Loans	851	1,592	1,551	1,577	1,894
Provision for Off-Balance Sheet Items	191	265	273	292	335
Share Information					
Number of Share Outstanding	487	570	570	656	754
Earning Per Share (Taka)	2.73	1.77	1.85	2.12	1.44
Book Value Per Share (Taka)	10.00	10.00	10.00	10.00	10.00
Market Price Per Share (Taka)	19.20	14.80	12.70	9.20	11.90
Price Earning Ratio (Times)	7.03	8.35	6.86	4.35	8.26
Net Asset Value Per Share (Taka)	16.87	16.29	17.34	17.50	16.67
Cash Dividend (%)	-	10%		-	5%
Bonus Share (%)	17%		15%	15%	5%
Rights Share Issue	-	-		-	
Operating Performance Ratio					
Net Interest Margin on average earning assets	3.14%	2.54%	3.27%	2.63%	2.78%
Net Non-Interest Margin on average earning assets	0.88%	1.06%	0.70%	0.48%	-0.08%
Total operating expenses to average total assets	1.78%	1.83%	2.03%	2.05%	2.02%
Net operating income to average total assets	3.54%	3.12%	3.35%	2.60%	2.26%
Credit / Deposit Ratio(%)	81%	84%	83%	86%	86%
Return On Equity(ROE) %	16.22%	10.88%	12.27%	13.91%	8.66%
Return On Average Equity(ROAE) After Tax	17.67%	11.55%	12.66%	14.95%	9.05%
Return On Assets(ROA)%	1.57%	0.99%	1.06%	1.27%	0.76%
Return On Average Assets(ROAA) Before Tax	3.03%	2.29%	1.85%	2.08%	1.56%
Return On Investment (ROI)	7.31%	10.06%	9.27%	9.83%	7.05%
Price Earning Ratio (times)	7.03	8.35	6.86	4.35	8.26
Yield on average advance (%)	16.35%	17.09%	14.59%	12.28%	10.56%
Return On Average RWA	1.67%	1.06%	1.23%	1.37%	0.90%
Liquid Assets Ratio	1.09	1.17	1.06	1.08	1.12
Efficiency Ratio	74.38%	77.08%	73.95%	76.01%	75.35%
Debt to Equity Ratio	10.52	10.75	11.13	10.53	11.15
Net Income Ratio	11%	7%	8%	12%	8.32
Operating Income Ratio	38%	36%	42%	43%	47%
Debt to Total Assets Ratio	91.32%	91.49%	91.76%	91.33%	91.77%
Asset Turnover ratio	13.84%	13.61%	12.85%	10.82%	9.17%
Times Interest Earned Ratio	1.62	1.57	1.72	1.75	1.87
Debt Service Coverage Ratio	4%	3%	4%	3%	3%
Quick Ratio		2.27	2.07	2.07	1.75
Average Branch wise Manpower	16	16	16	15	18
Total Operating Profit to Total Income	26%	23%	26%	24%	25%
Interest expense to Total Expenses	83%	83%	79%	75%	71%

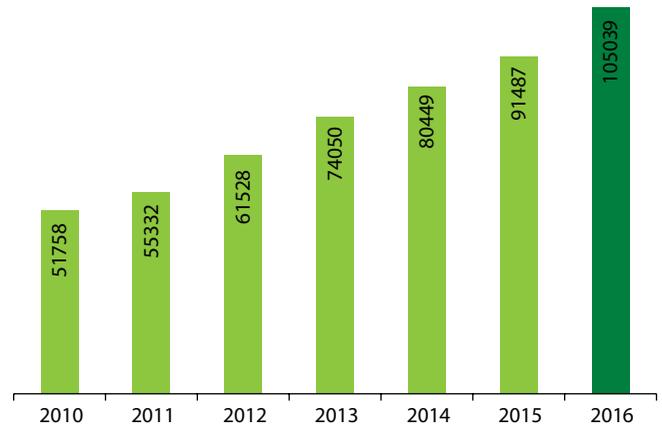
Particulars	2012	2013	2014	2015	2016
Interest Income to Total Income	82%	80%	80%	77%	79%
Operating profit per branch	38.97	36.54	39.95	31.49	28.78
Operating profit per employee	2.36	2.32	2.47	2.04	1.62
Per employee Income	9.22	10.14	9.47	8.51	6.57
Per employee expenses	6.86	7.82	7.01	6.47	4.95
Per employee Advances	48.45	54.23	51.77	57.04	52.73
Per employee Assets	74.56	79.82	77.18	82.49	76.70
Per employee Deposit	59.90	64.30	62.61	66.67	61.52
Burden Coverage Raio	144%	150%	129%	120%	97%
NFI to Total Operating Income	18%	20%	20%	23%	21%
Cost income ratio	74%	77%	74%	76%	75%
Operating profit as % of working funds	4.01%	3.85%	4.14%	3.18%	2.70%
Net interest income as % of working funds	3.13%	2.71%	3.41%	2.68%	2.78%
Total cost of Fund	12.72%	12.59%	11.03%	9.75%	8.52%
Cost of Deposit(%)	10.79%	10.51%	8.92%	7.69%	6.32%
Administrative cost (%)	1.93%	2.08%	2.11%	2.06%	2.20%
Other Information					
Number of Branches	77	87	96	104	114
Urban	52	55	61	65	70
Rural	25	32	35	39	44
Number of Employees	1270	1368	1554	1604	1992
Number of Shareholders	37141	40580	37249	31984	29633
Number of Foreign Correspondents	22	22	20	21	21
Average earning assets	74,576	88,290	96,734	105,188	119,456
Average Total assets	84,661	101,944	114,562	126,126	142,555
Average Deposits	69,949	82,020	92,632	102,117	114,743
Average Advance	58,430	67,854	77,315	85,968	98,263
Average Investment	13,156	17,973	19,511	19,481	22,321
Average Equity	7,545	8,755	9,588	10,680	12,023

GRAPHICAL PRESENTATION

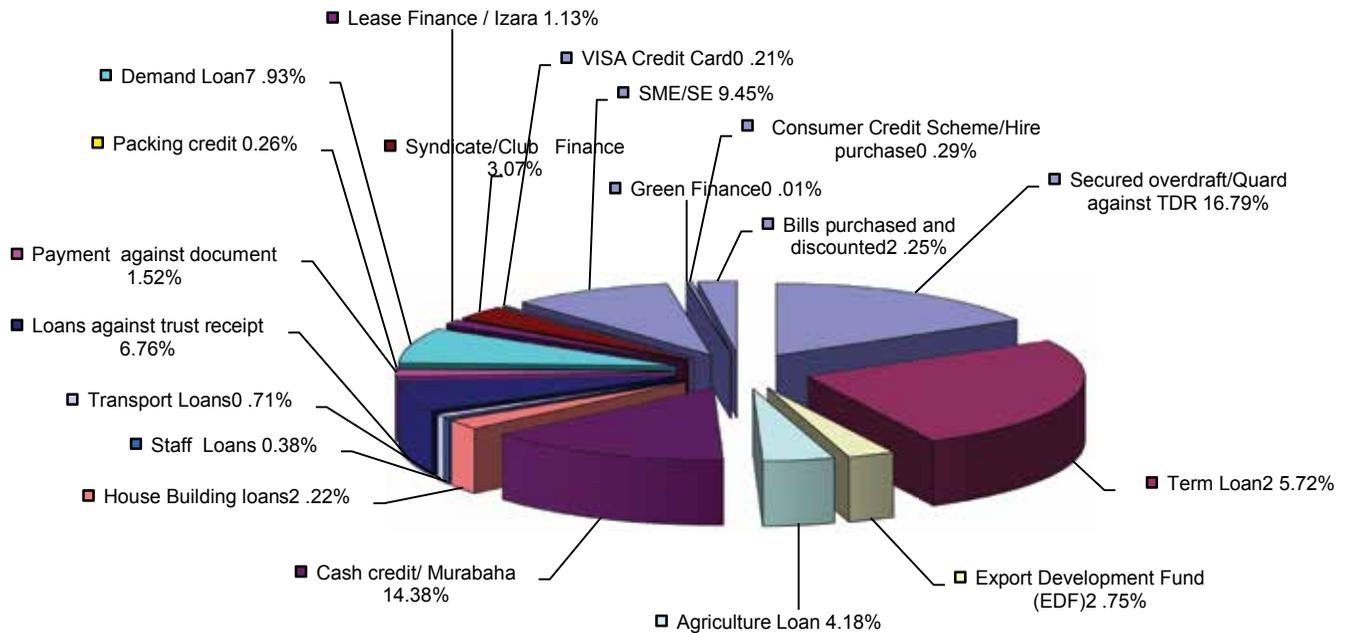
Deposit (Million Taka)



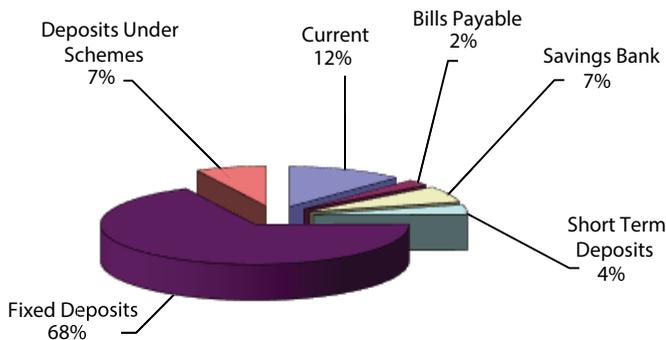
Loan & Advances (Million Taka)



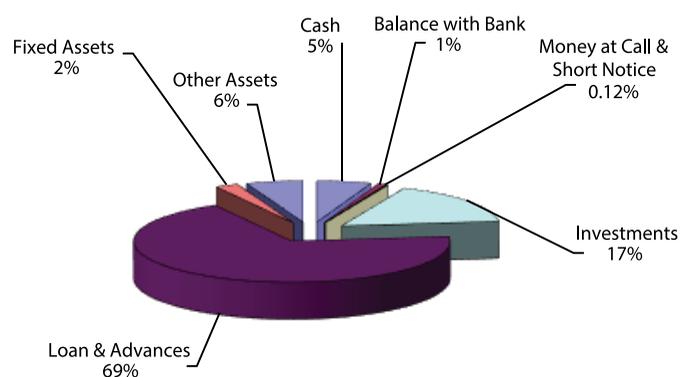
Loan Portfolio Mix- 2016



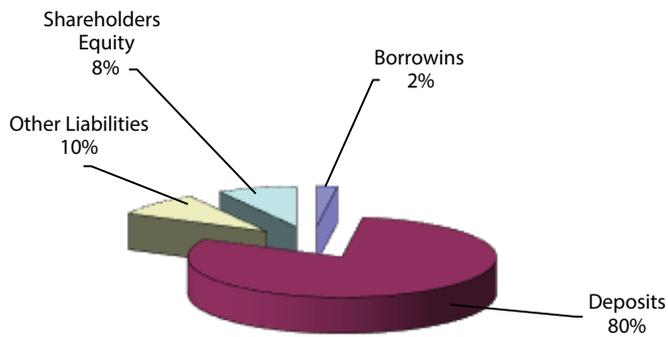
Deposit Portfolio Mix - 2016



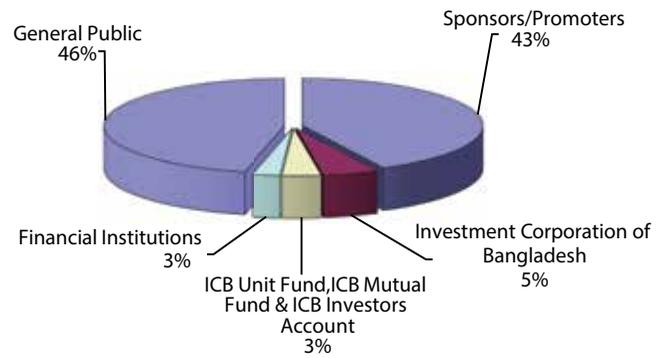
Assets Mix-2016



Assets Funding Mix-2016



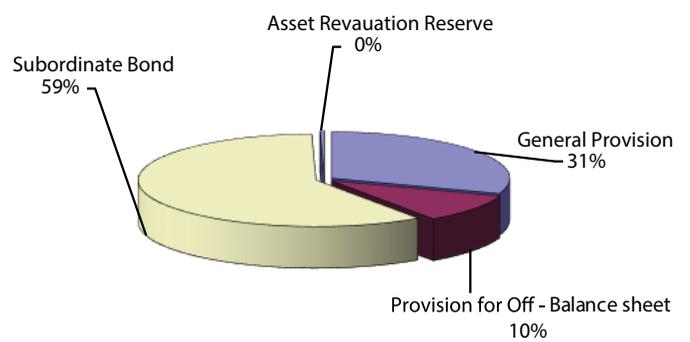
Types of Shareholding (Million)



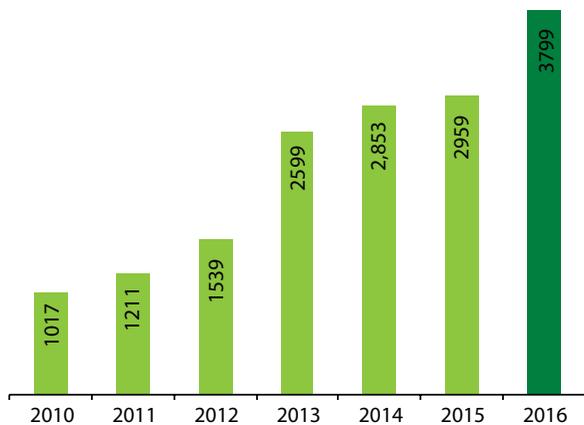
Tier - I Capital



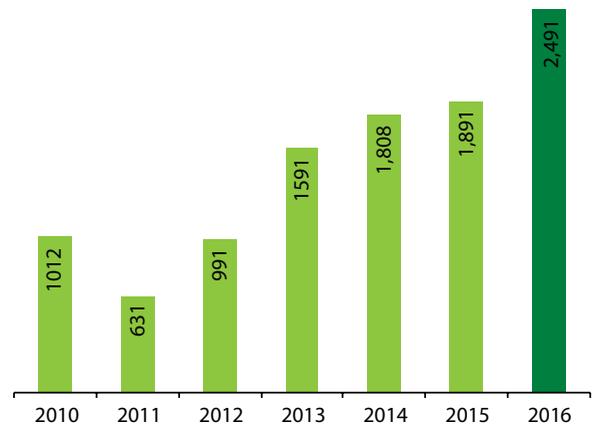
Tier-II Capital



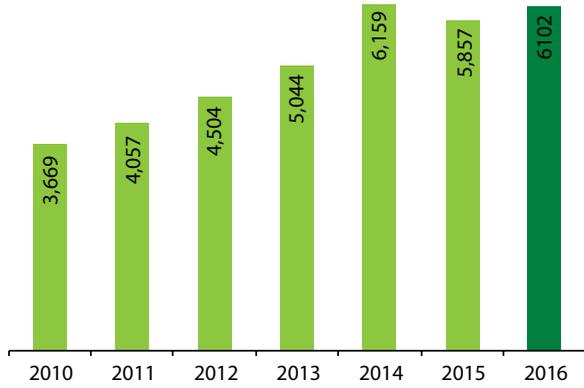
Non performing Assets (Million Taka)



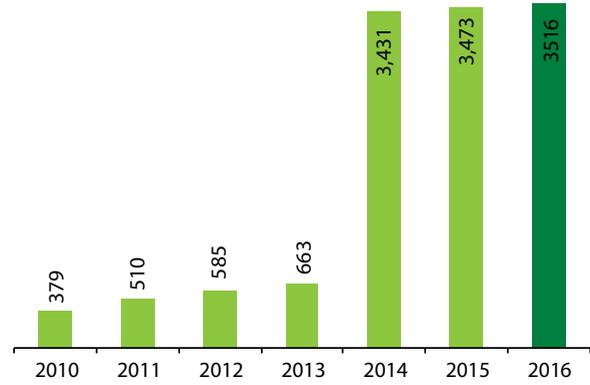
Investment Income (Million Taka)



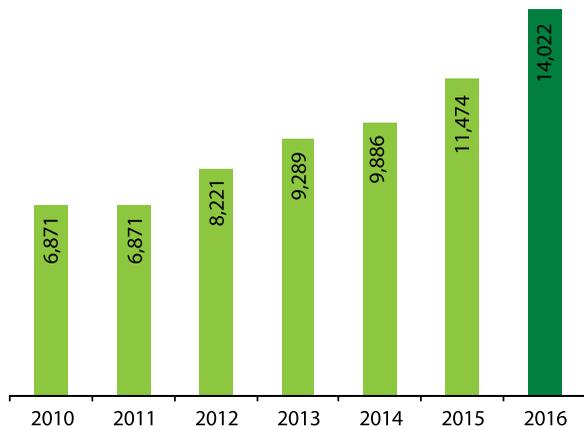
Operating Income (Million Taka)



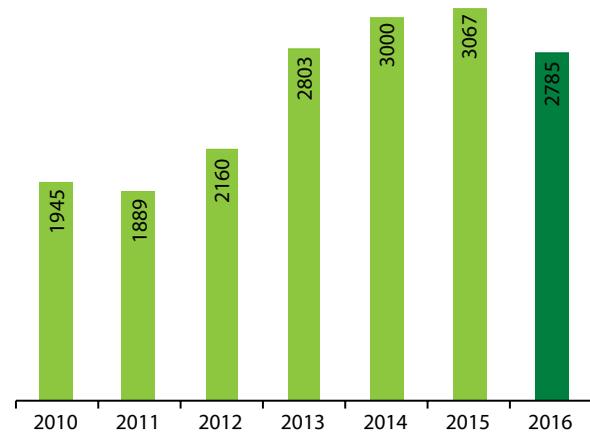
Fixed Assets (Million Taka)



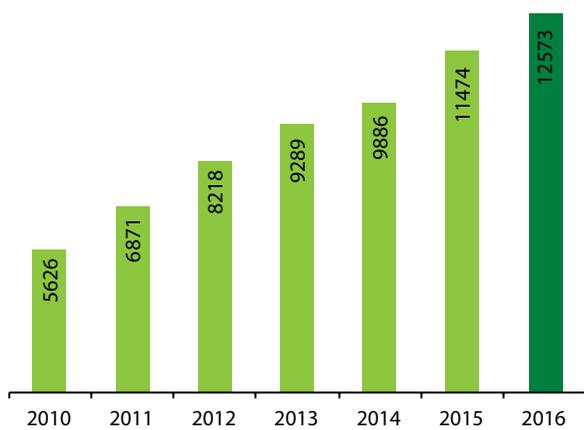
Net Assets Value (Million Taka)



Non Interest Income (Million Taka)



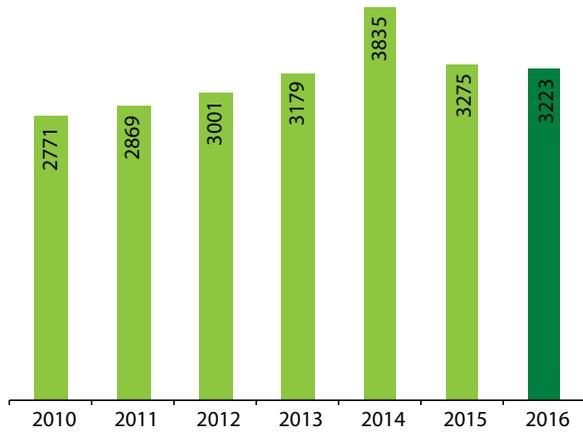
Shareholders Equity (Million Taka)



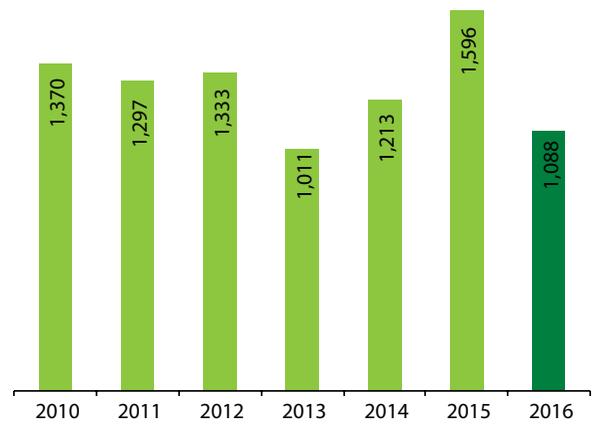
Paid up Capital (Million Taka)



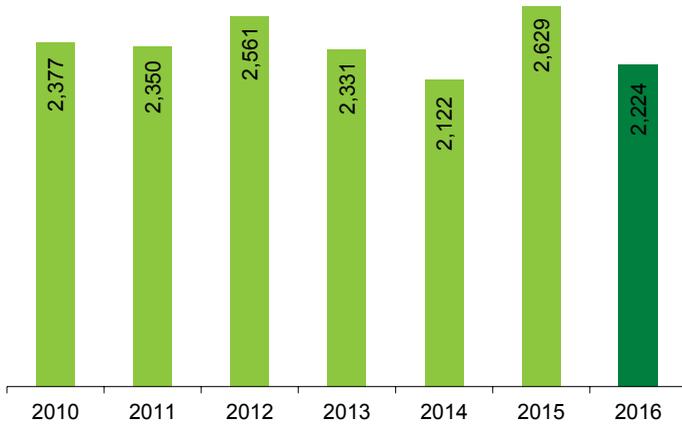
Operating Profit (Million Taka)



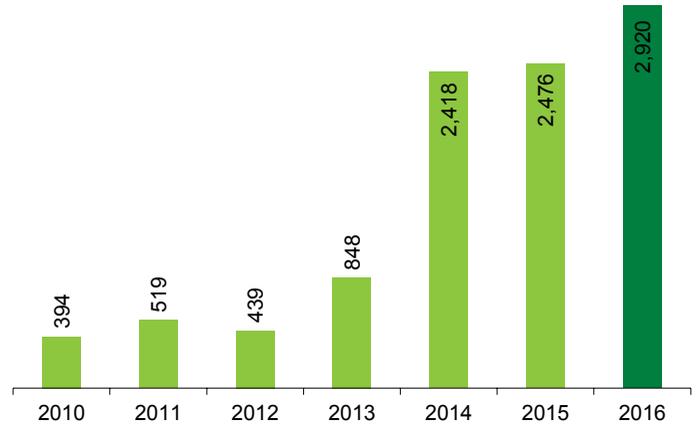
Profit After Tax (Million Taka)



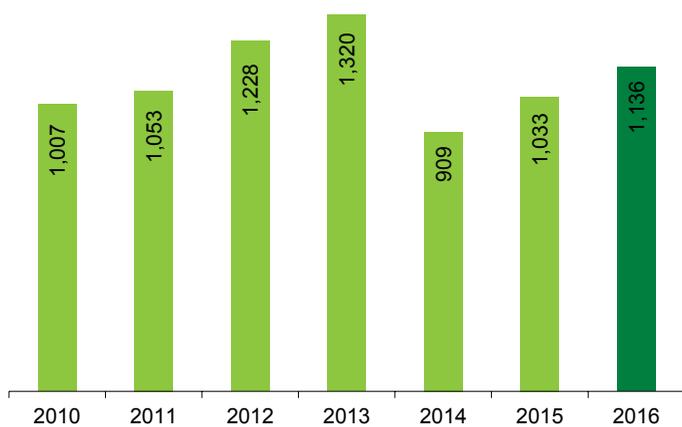
Profit Before Tax (Million Taka)



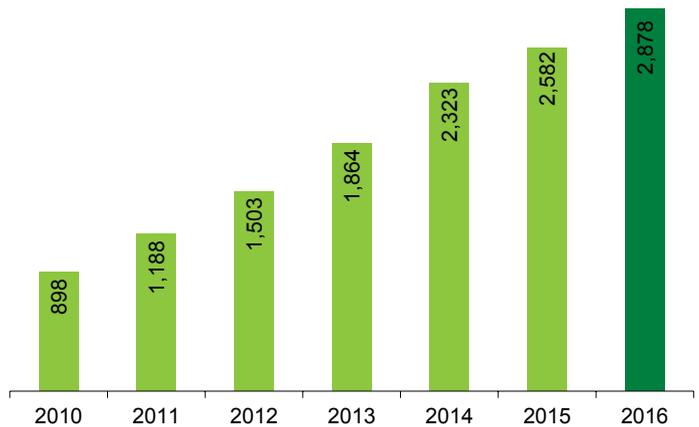
Provision for Loan & Advances (Million Taka)



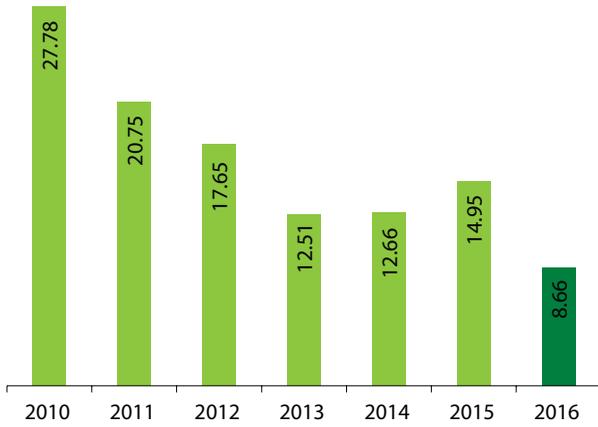
Provision for Tax (Million Taka)



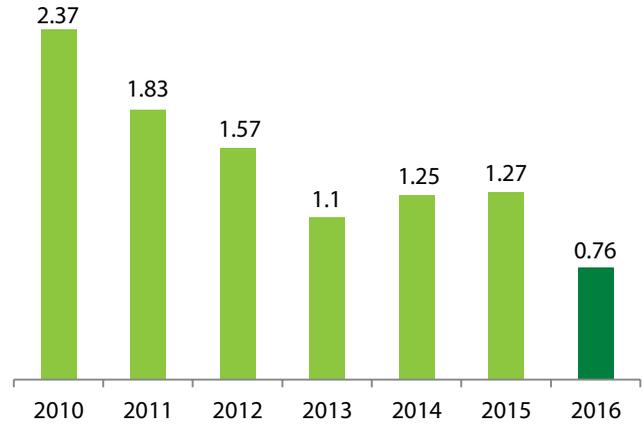
Operating Expense (Million Taka)



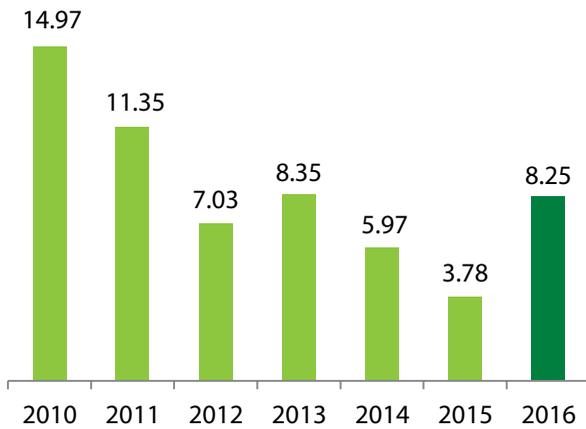
Return on Equity (Million Taka)



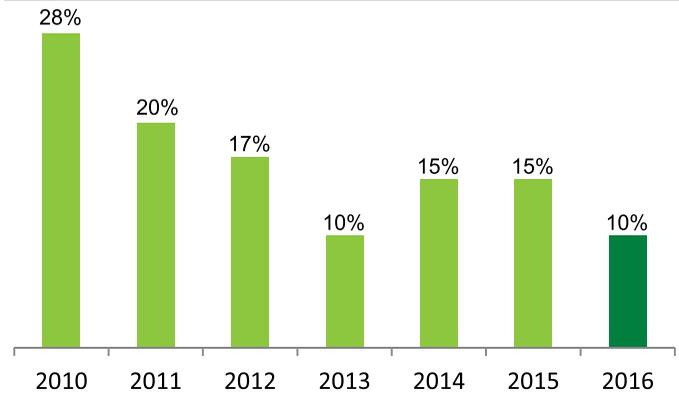
Return on Assets (Percentage)



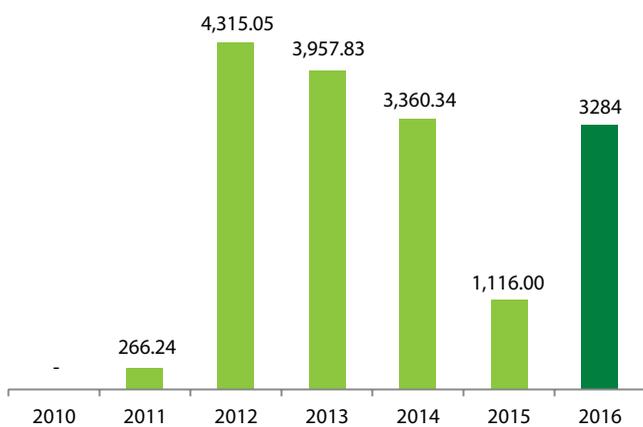
Price Earning Ratio (Times)



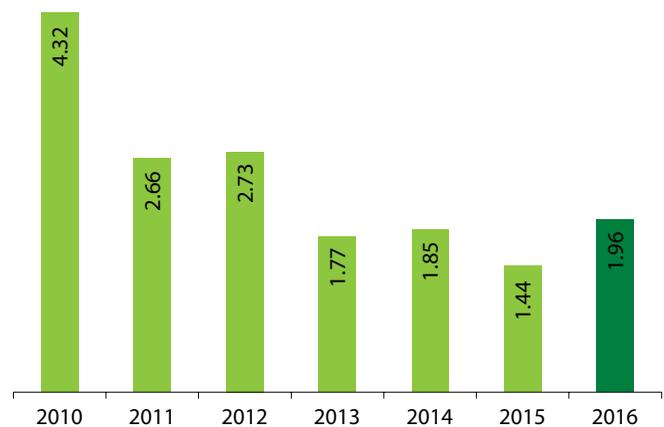
Dividend (Percentage)



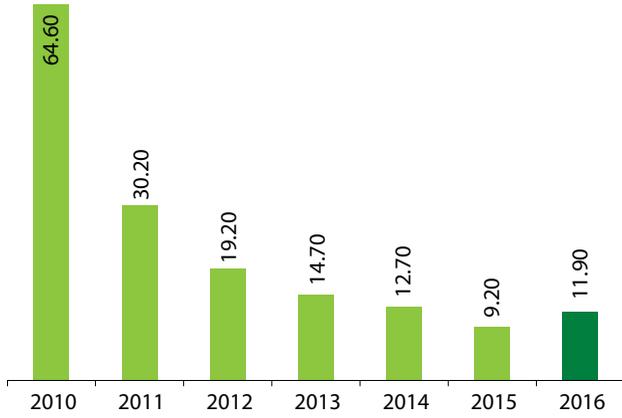
Borrowing (Million Taka)



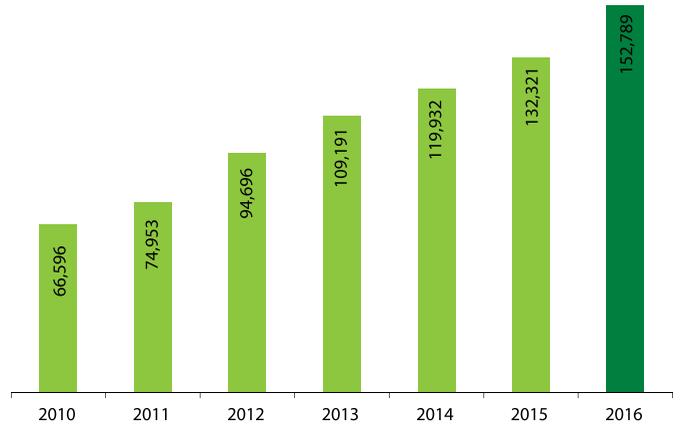
Earnings Per share (Taka)



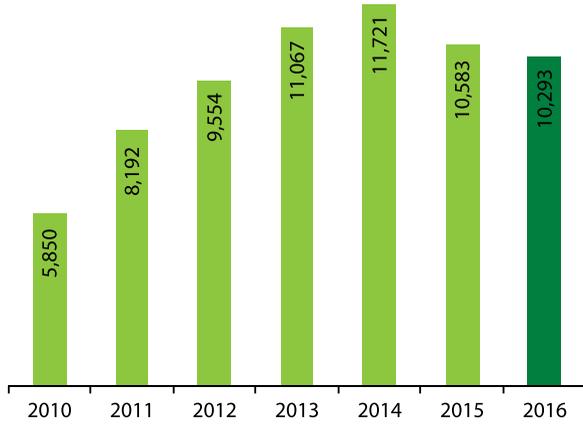
Market Price Per Share (Taka)



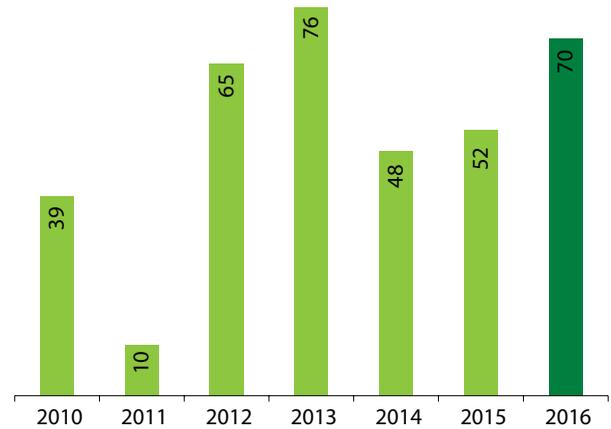
Total Assets (Million Taka)



Interest Income (Million Taka)



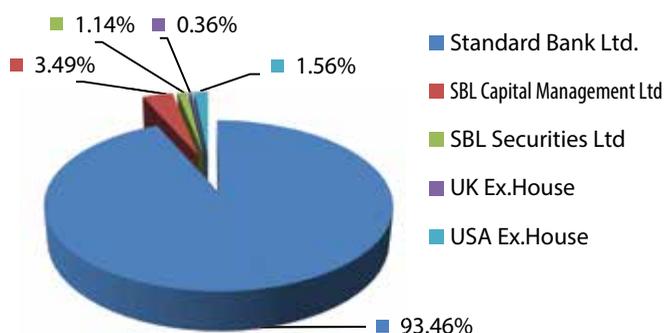
CSR Expense (Million Taka)



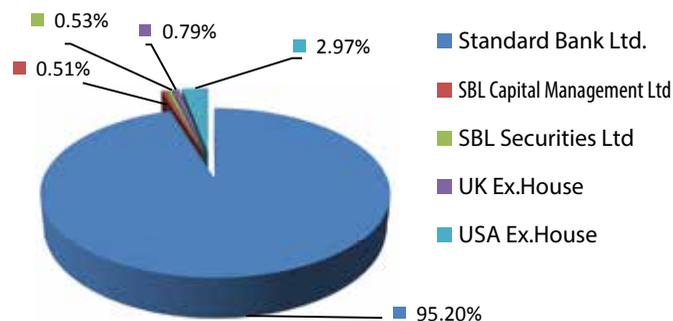
SEGMENT REPORTING

Particulars	Standard Bank Ltd.	Subsidiaries		Overseas		Total
		SBL Capital Management Ltd	SBL Securities Ltd.	UK Ex.House	USA Ex.House	
Net interest Income	3,217,807,185	70,703,615	28,120,758	-	432,135	3,317,063,693
Total Operating Income	5,422,686,107	202,225,480	65,958,496	20,696,652	90,739,722	5,802,306,457
Total Non Operating Income	297,052,826	1,325,200	161,785	1,100,951	48,061	299,688,823
Total Operating Expenses	2,740,084,353	14,664,639	15,303,149	22,749,357	85,580,275	2,878,381,773
Profit before Provision	2,979,654,580	188,886,041	50,817,132	(951,753)	5,207,508	3,223,613,507
Total Provision against assets	871,023,493	124,325,496	4,082,853	-		999,431,842
Profit before Tax (PBT)	2,108,631,087	64,560,545	46,734,279	(951,753)	5,207,508	2,224,181,665
Provision for Taxation	1,065,073,936	57,686,497	13,220,198	-		1,135,980,631
Profit After Tax (PAT)	1,043,557,151	6,874,048	33,514,081	(951,753)	5,207,508	1,088,201,035
Segment Assets	151,653,891,709	953,798,040	153,073,479	25,428,370	3,015,845	152,789,207,443
Segment Liabilities	151,653,891,709	953,798,040	153,073,479	25,428,370	3,015,845	152,789,207,443

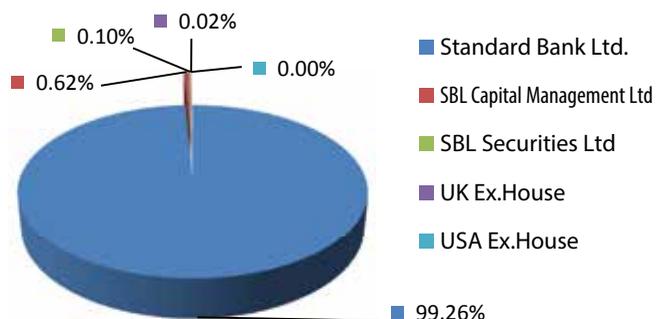
Total Operating Income



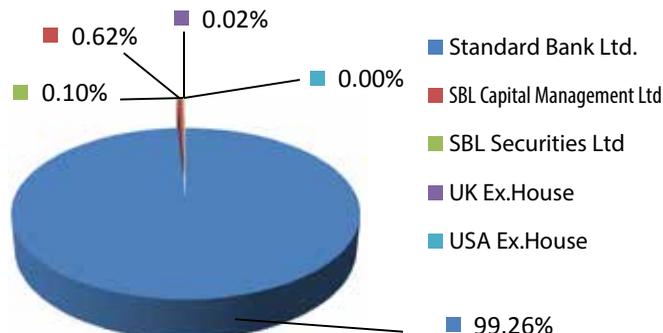
Total Operating Expenses



Segment Assets



Segment Liabilities



CREDIT RATING REPORT



CREDIT RATING

Credit Rating	2015	2014
Long Term Rating	AA	AA3
Short Term Rating	ST-2	ST-2
Outlook	Stable	Stable
Validity	29 June, 2017	30 June, 2016

Credit Rating Information and Services Limited (CRISL) reaffirms rating of Standard Bank Limited to "AA" in the long term and "ST-2" in the short term. The rating has been honored on the basis of comprehensive analysis of the operational and financial performance of the bank. While assessing financial performance of the bank, CRISL used information presented in the financial statements for the year ending 31 December, 2015.

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.

Credit Rating of Standard Bank 7 Years Subordinated Bond for BDT 400 crore

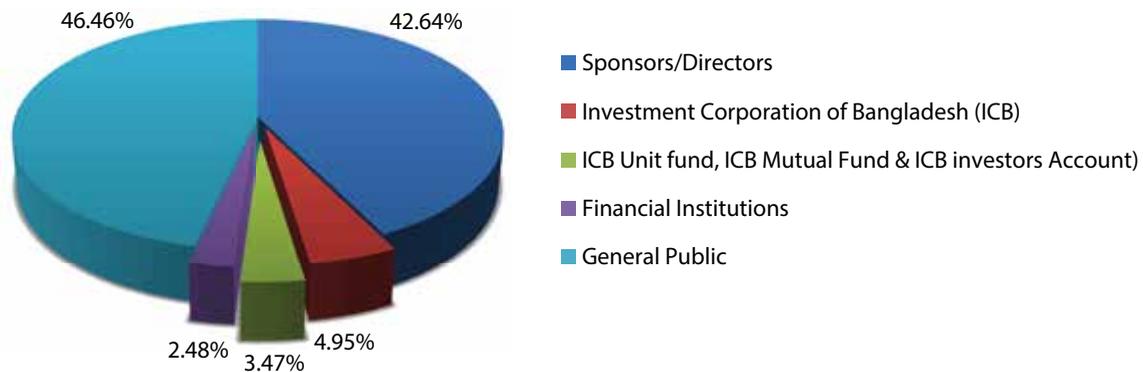
	Long Term
Issue Rating (Unsecured Subordinated Bond)	AA- (Indicative)
Date of Rating Declaration	August 24, 2016
Rating Agency: Credit Rating Information and Services Limited (CRISL)	

DISTRIBUTION OF SHAREHOLDING

Share Holding Position as on 31.12.2016

Sl. No.	Designation	No. of Share		No. of shares in (%)	
		31.12.2015	31.12.2016	31.12.2015	31.12.2016
1	Sponsors/Directors	280,629,901	321,536,757	42.80%	42.64%
2	Investment Corporation of Bangladesh (ICB)	16,975,716	37,299,543	2.59%	4.95%
3	ICB Unit fund, ICB Mutual Fund & ICB investors Account)	20,943,410	26,199,696	3.19%	3.47%
4	Financial Institutions	17,239,476	18,675,325	2.63%	2.48%
5	General Public	319,952,282	350,390,581	48.79%	46.46%
	Total	655,740,785	754,101,902	100%	100%

Share Holding Position



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

COMMUNICATION TO STAKEHOLDERS

Annual Report 2016 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.

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:

Share Department

Islam Chamber (10th Floor)
125/A, Motijheel C/A
Dhaka – 1000
Phone: 9578385, 9577913

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 17TH AGM



The 17th Annual General Meeting of SBL held at Police Convention Hall, Dhaka. The Honorable Chairman Mr. Kazi Akram Uddin Ahmed presided over the meeting.



Honorable Chairman of the Board of Directors of SBL Mr. Kazi Akram Uddin Ahmed greeted shareholders in 17th Annual General Meeting.



A partial view of 17th Annual General Meeting of SBL. Honorable shareholders of the bank are seen.

ALL ROUND VIEW



Town Hall Meeting 2016 of Standard Bank Limited



Standard Bank Introduces EMV VISA Chip Cards



Agreement between Standard Bank Limited and Computer Services Ltd.



Agreement Signing Ceremony between Standard Bank Limited and Nokkhotrobari Resort



Signing Ceremony between Standard Bank Limited and Rose View Hotel



Signing Ceremony between Standard Bank Limited and Hotel Agrabad



SBL financed Anwer Khan Modern Medical College



SBL financed Bengal Shoe Industries Limited



Afil Brick's Ltd.



SBL financed Zohura Agriculture Industries and Auto Rice Mills (Pvt.) Ltd. in Dinajpur

NATIONAL TAX CARD AWARD FROM NBR

NATIONAL TAX CARD AWARD FROM NBR



SUSTAINABILITY REPORT



Sustainability we mean:

Sustainability could be defined as an ability or capacity of something to be maintained or to sustain itself. It's about taking what we need to live now, without jeopardizing the potential for people in the future to meet their needs. If an activity is said to be sustainable, it should be able to continue forever.

Standard Bank is firmly committed to being good corporate citizen and to help clients and other key stakeholders to achieve sustainable success. Bank's central sustainability theme revolves around generation next and beyond, reflects the essence of its ambition. Standard Bank is here for the long term and takes into account the legitimate interest of its stakeholders-not only for today's world, but for future generations too.

To comply with the UN Sustainable Development Goals Standard Bank stimulates action over the next years in areas of people, planet, prosperity, peace and partnership.





People: Standard Bank is expecting to alleviate poverty and hunger, in all forms and dimensions and to ensure that all human beings can fulfill their potential in dignity and equality and in a healthy environment.

Planet: We also try to protect the planet from degradation including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change so that it can support the needs of the present and future generation.

Prosperity: Standard Bank determined to ensure that all human being can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

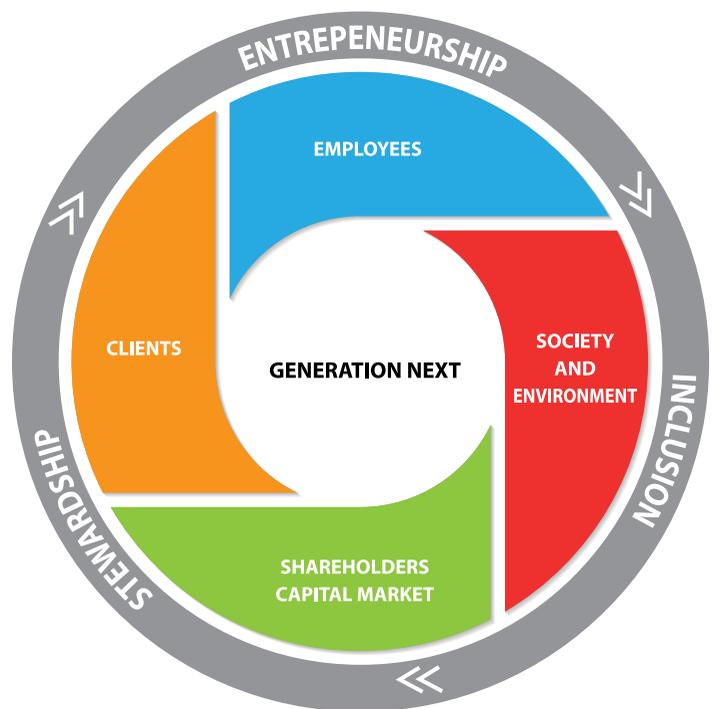
Peace: We want to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.

Partnership: We would like to mobilize the means required to implement the sustainable development agenda through a revitalized global partnership for sustainable development, based on a spirit of strengthened global solidarity focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.

We are rebuilding a stronger and safer Standard Bank. The work we are doing on sustainability is an integral part of this, contributing to the long term performance of the Bank and the return to ongoing profitability, steering the Bank towards its corporate targets with a direction of growth that meets expectations of shareholders, customers, employees, investors, international financial institutions, regulators, business partners, above all the community we operate in. Our stakeholder engagement approach allows us to understand the issues that matter most to those who have an interest in our business. Treating customers fairly, being good employer, keeping customers' money and data safe. In addition, managing our wider ethical, social and environmental impacts remain among the key concerns of our stakeholders.

Our Approach

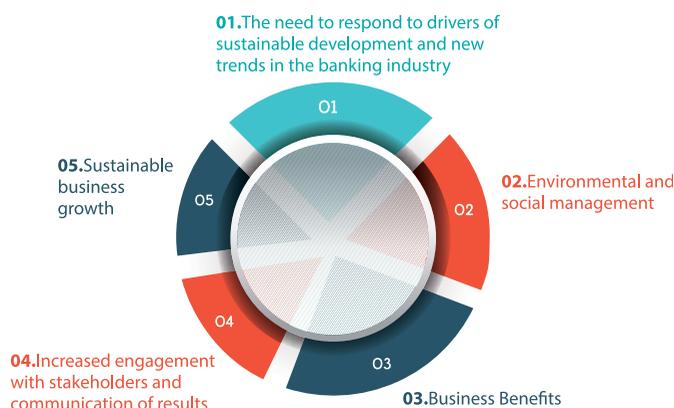
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Sustainable Business Model

Three key elements shape this theme:

- **Entrepreneurship:** A sustainable business model is based on the pursuit of a socially responsible and environmentally friendly market opportunities and supporting clients in becoming more sustainable themselves.
- **Stewardship:** Taking responsibility for clients, suppliers, employees and reducing the environmental impact
- **Inclusion:** Standard Bank encourages community involvement throughout its 17 years of operation; Standard Bank has pledged its commitment to build long-term sustainability through business transparency, eco-friendly innovations, and community development for a better quality of life and sustainable well-being for the next generation. We believe that responsible banking addressing social, environmental and financial conditions are key to long term success and beneficial for immediate community that includes our clients, employees and place where we operate



Fair Banking

We are working to provide a simple, accessible and innovative service for our customers in response to their requirements. Banking is central to the daily lives of almost everyone, and it's important that we understand their needs. We have taken steps to proactively identify people who may get into financial difficulty so we can work with customers to improve their situation. We have reviewed our rates structure (both corporate and retail) as we aim to place customers at the heart of our business decision.

Standing by the Enterprise

Giving support to the enterprise in the economies in which we operate is a cornerstone of our customer offering. The health of Standard Bank is directly influenced by the health and success of the business it supports. Whether it's continuing to serve our existing clients in the best way possible or working to give start ups the help they need to become successful- we are here to support the growth of viable businesses. We pro-

vide advice and guidance to businesses through our Branch Managers. We know it is a difficult time for some organizations and that's why we created specialist team to provide that support.

Employee Engagement

Being good employer is fundamental to our success as a business our employees are a diverse and talented group which we support and encourage through internal networks and training. We highly value our employees and seek to support them through this process with a range of tools and services to help them find other roles, either inside or outside the Bank. We also offer emotional and practical challenges that they may experience.

Safety and Security

Managing safety and security of our employees and customers is one of our fundamental responsibilities. We have adopted continuous vigilance approach to keep up with challenging and changeable environment that we operate in, and continually review and innovate the way we face. Every year we invest a reasonable sum in ensuring stringent branch security measures.

Citizenship and Environmental Sustainability

As a large organization we have a responsibility to manage our internal and external impacts. A core part of this is the way we govern our environmental, social and ethical risks, not only within our own operations, but also in relation to companies we lend to. We are going to implement sector policies which clearly define our lending criteria in certain sensitive industries. 2016 will also see the launch of revised and more stretching targets to reduce our environmental footprint across our travel and energy waste, water and paper use. These targets will drive forward the management of our own footprint, and allow our Stakeholders to track our progress.

Financial Inclusion

Multitudes of people across the country still remain unbanked or have limited access to banking services. We remain committed to agricultural and rural credit (micro finance) as a means of increasing financial inclusion in the country. Our approach is to support this sector by providing a range of financial services as well as bringing this vast population through our own branch network and Microfinance Institution (MFIs). Small and Medium Enterprises play crucial role in generating jobs and economic growth in Bangladesh. In 2016, we continued to demonstrate our support for SMEs, increasing our lending to the sector by more than 33.47 percent to BDT 9871.40 million and enriching our SME products and services.

Tackling Financial Crime

To guard against the risk of financial crime within our business, we focus in training our employees, strengthening our screening system and ensuring that our policies and procedures are effective and up to date. We devote our efforts to minimize the damaging effects of financial crimes on our business, our customers, and community. We focus on the following key areas:

- Compliance with all applicable laws, regulations, and sanctions
- Actions to prevent money laundering and terrorism financing
- Prevention of fraud

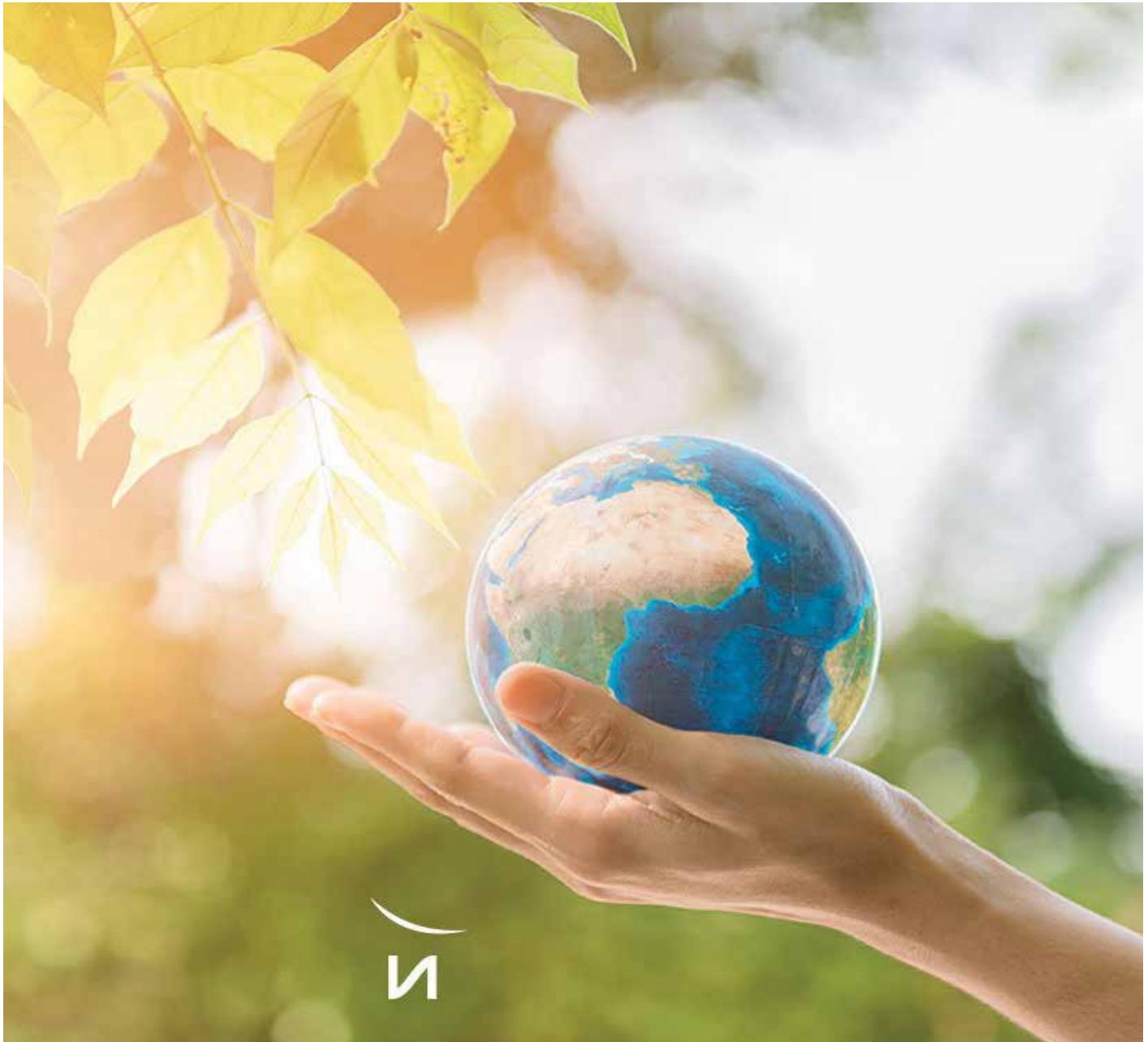
Employee awareness about fraud trends and combating technique is the key to successful financial crime prevention. During 2016, a total of 212 officers completed anti-money laundering training to reinforce our capacity to protect money laundering activities. We have prioritized fraud prevention in coming years; having established a cell namely 'Central Customer Service and Complaint Management Cell' hence planned to launch comprehensive fraud prevention strategy and training for our employees. Suspicious Transaction Reporting (STR) and KYC procedure are the tools that Bank is presently executing to prevent financial crimes and money laundering. Our core fraud combating units are security, compliance and internal audit, IT security, human resource, and risk management unit. These units are working together to strengthen fraud prevention management system in the bank.

Promoting Sustainable Finance

Our main impact on people and the environment stem from the business activities we finance. Our approach is to manage the environment, social and governance risks that come with our financing decisions, working with our client to encourage compliance with international standards. In 2016, Standard Bank financed BDT 6124 million under ETP. In addition to social and environmental policies outlined above, Standard Bank makes every effort to ensure that its own operations and activities are minimal in their environmental impact. Board of Directors of the bank also approved Green Banking Policy for overall governance of green banking initiatives. In line with the said policy, Standard Bank and its subsidiary will comply with all laws and regulations related to environmental protection, green banking and other regulatory requirements.



CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES



Corporate Social Responsibility (CSR) is gaining fast global acceptance as a standard to assume environmentally sustainable and socially equitable business practices. Enhancing CSR as a means for poverty reduction and sustainable development in a developing country like ours with modest resources requires joint initiatives by all stakeholder groups involved. Only through co-operation of stakeholders at all levels CSR can have a beneficial social and developmental impact. Moreover, multi-stakeholder initiatives are an appropriate tool for experience-sharing and the development of best practices for creating a link between corporate insight and the government agenda. CSR plays a role in building customer loyalty based on distinctive ethical values. It creates new business opportunities, builds synergies and creates partnerships with stakeholders including the community at large.

CSR in SBL

In line with the conformity SBL focused on CSR by involving in different nation building activities apart from usual banking operation. Since its inception in 3rd June 1999, SBL was more active for the noble cause of humanity. Since inception Standard Bank Limited has been involved with philanthropic activities to help disadvantaged people/community of the country. As per instruction of Bangladesh Bank, Standard Bank Limited has enthused itself into a broad range of direct and indirect CSR engagements including advancement of education for the poor and underprivileged community, preventive and curative health support for the underprivileged population segment, humanitarian relief and disaster response; widening of greening initiatives arresting environmental degradation, and so forth.

Direct and indirect budgetary CSR commitments of SBL have increased several-fold since 2008 complying with Bangladesh Bank circulars. Substantial and further increasing levels of financial involvements in CSR engagements have understandably raised concerns about ensuring allocation of the budgetary resources on an arm's length basis, free of insider interests connected to members of the boards and senior managements, as also about proper end use monitoring. These indicative guidelines are intended to cover only the CSR support initiatives in the communities outside the bank; not those to do with upgrading of working conditions, health and safety measures, gender fairness etc. for own employees that are covered by relevant labor laws and regulations.

Standard Bank Foundation:

The endowment of Standard Bank Foundation, which was founded in 2010, has grown to a significant size since its inception. The funding policy has focused on some major areas: education and research, healthcare, art and culture and social projects. The Bank made provision for Standard Bank Foundation at remarkable percentage on pretax profit in every year. In 2016, SBL has made a provision for Taka 80 Million for SBL Foundation.

Standard Bank wants to eliminate the impropriety in the society, to create fellow feeling among the citizens of the country, motivate people to do good works and conserve nature. Thus Education, Health care, Creation of social awareness, Rehabilitation of destitute, standing beside the victim caused by Natural Disaster, Preserve the Art and Culture of the society, and address human sufferings arising out of different causes are some of the important areas where Standard Bank has been carrying out its social and philanthropic responsibilities. During the year 2016 BDT 80.01 million was contributed for social and philanthropic causes under CSR activities of the Bank in the form of Direct Social Intervention in Social Projects and Community Development Project out of its budget BDT. 80.00 Million. Area of our corporate philanthropy & social obligation is not limited at all. Since our take-off in 1999, we have been taking part in diversified social activities. The sector wise report is narrated here under:

Summary of actual CSR contribution during the year 2016 is here under:

Sl. No.	Sectors/Initiatives (Social project + Community Investment)	2016	
		Budget	Actual
1	Education	24.00	22.90
2	Health	16.00	2.40
3	Disaster Management	27.00	51.20
4	Environment	3.00	0.00
5	Cultural Welfare	3.50	2.00
6	Infrastructure improvement in remote/underprivileged areas	3.00	0.20
7	Income generating activities for the underprivileged population	1.50	0.00
8	Others	2.00	1.40
	Total	80.00	80.10

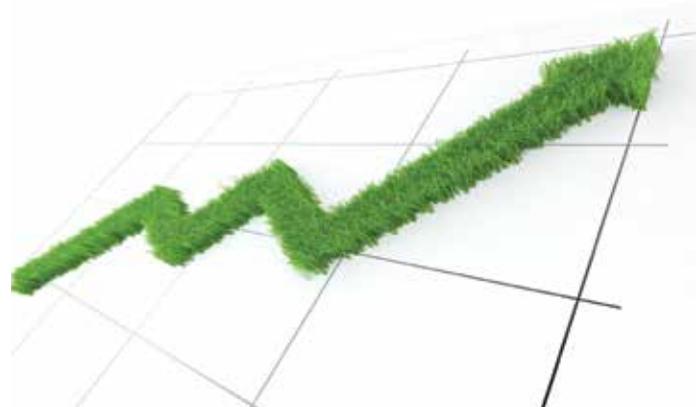
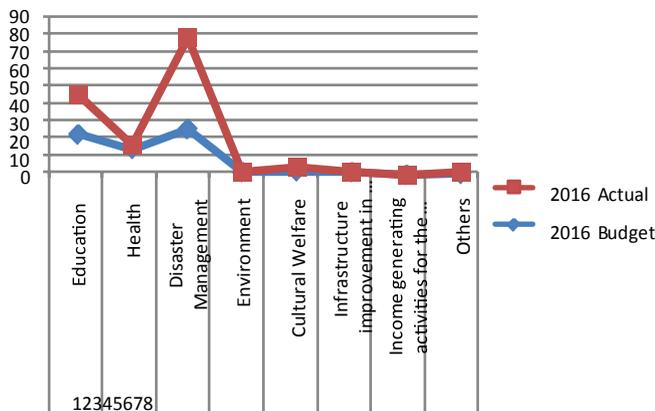


Table:1.1 shows CSR allocation in 2016 against its budget in Million BDT

Our contribution to different sectors in 2016

Education:

Standard Bank keeps around thirty percent of total CSR expenditure fixed for Education Sector as per CSR Guidelines issued by Bangladesh Bank a) for scholarships/stipends for students from low income family in reputed academic and vocational training institutions, and (b) for support towards upgrading of facilities in academic and vocational training institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments.

Our commitment to education helps the poor and meritorious student to discover their own potential in the area of academic development. Recognizing 'education' as a focus area of the bank's CSR activities, the Bank has donated BDT 5.01 Million in the form of Scholarship to the poor and talented student during the year 2016. The Bank has expensed BDT 22.90 Million for Education Sector during the year 2016 in direct social intervention and supplementing initiatives to the community.

i) Scholarship to the poor and meritorious students:

The bank acknowledged poor & meritorious students who passed PSC, JSC and SSC examination in 2015 and presently pursuing studies at your institution. Like last year SB Foundation Scholarship was distributed the students who fall under eligibility and selection criteria affixed by the BOD earlier. In 2016 the Bank provided scholarship of BDT. 5.01 Million to 1408 poor and meritorious students all over Bangladesh under the category of PSC, JSC & SSC. Out of the students 786 students were female and 622 were male. For the female students, bank provided scholarship of BDT. 2.83 Million and for male BDT. 2.18 Million.



ii) Standard Bank stands beside the HPF School at Bashabo, Dhaka:

Help the People Foundation (HPF), a voluntary & social service organization, came into operation in 2011 approved by Ministry of Social Welfare Affairs of Government of the People's Republic of Bangladesh. They have established HPF School in 2015 for providing modern and quality education to underprivileged children in the community of Bashabo, Dhaka. At present there are 140 students studying in the

school. HPF School provides modern and quality education in combination of Bangla and English by computer in every classroom and also provides free educational materials i.e. book, writing book, pen. Besides it provides nutritious food, hygienic products, medical check-up and necessary medicines to children. The Bank has donated BDT.0.5 Million for the smooth operation of HPF School to spread out education among the disadvantaged children.



iii) Standard Bank donates to construct new premise of Walia High School, Lalpur, Natore:

Walia High School was established on 1956. It is situated in Lalpur under the district of Natore. At present there are 600 students in this school. It was not possible to increase the number of student due to insufficient class room. Being observed the situated Standard Bank decided to build new premises in Walia High School. A remarkable contribution to the education sector is made by this donation to spread out education among the under-privileged students in the said locality.



iv) Standard Bank donates 100 Multimedia Computer to the school & colleges in Gopalganj:



Highlights of 2016

Our aim is to create sustainable impact on the communities with our social initiatives



Health:

Preventive and curative healthcare support assistance for underprivileged population segments comes next in priority; Standard Bank prefers to expense around twenty percent of total CSR expenditure allocation in this area. Support assistances in this area include direct grants towards costs of curative treatment of individual patients, towards costs of running hospitals and diagnostic centers engaged substantially in treatment of patients from underprivileged population segments, and towards costs of preventive public health and hygiene initiatives like provision of safe drinking water, hygienic toilet facilities for poor households and for floating population in urban areas, and so forth. During the year 2016

the Bank expensed BDT. 2.40 Million under Health Sector in curative treatment of individual patients and procurement of any medical equipment/materials to Hospital.

i) Bank contributed to establish an eye unit in Chapainawabgonj Diabetic Hospital, Chapainawabgonj.

Chapainawabgonj Diabetic Association is a non-profitable service concern established for providing preventive and curative health care support to the community of the Northern part of Bangladesh including the under privileged. They have been providing the health care services among 17 lac inhabitants including 3 lac diabetic patients in the said locality. Every day they provide medical treatment for about 300 to 450 patients and maximum of them are living below the poverty



line. The Bank donated BDT.2.00 Million to construct an specialized eye unit in the Chapainawabgonj Diabetic Hospital.

Disaster Management:

Disasters can strike anywhere. No country, rich or poor, is immune from risks of accidents and disasters causing deaths and injuries, destruction and damage to properties and assets; disrupting economic activities and livelihoods of individuals and households. Standard Bank came forward with prompt, generous fund support for the rescue and relief efforts, by way of donations to the apex Prime Minister’s Relief Fund to be with the poor and destitute to strive with the natural calamity like recent flood and cold stricken area. These and other such contributions would presumably be used up entirely in extend-

ing emergency assistance for the affected families with little left for capacity building of the emergency services. During the year 2016 the Bank donated BDT. 51.20 Million under Disaster Management.

) Donation to Prime Minister’s Relief Fund:

With a population of 140 million, Bangladesh is one of the world’s most populated countries. It is also one of the most vulnerable to the impacts of climate change. Cyclones, floods and droughts have long been part of the country’s history



but they have intensified in recent years. In 2016 Bank has donated BDT. 27.50 Million to Prime Ministers Relief Fund as a contribution to the climate risk fund and relief for the flood affected people.

ii) Donation for purchasing blanket for distributing among cold stricken people all over Bangladesh:

In the freezing January night of North Bengal, when the entire city dons their sweaters, monkey-caps and mufflers with a hot cup of tea, there are few under-privileged who cannot afford even a blanket and die-without a roof or cloth on their bare bodies-to add one more to the count of deaths in Panchagar, Thakurgaon, Lalmonirhat of Bangladesh due to cold wave every year. As of winter exists many such under-privileged succumbed to the dance of death this season.

Is there are ray of hope for the rest? Yes, there is. As a part of Corporate Social Responsibility (CSR) and considering the humanitarian aspect, each year the Standard Bank has been distributing blankets among the destitute of cold stricken people in Bangladesh. Taking the list of bitterly cold stricken area as forecasted by Bangladesh Meteorological Department, Standard Bank distributed 60500 Blanket costing for BDT. 22.17 Million among the stricken people all over Bangladesh through its branch network. Since the inception, making sure that the help reaches only to the ones who are actually in need has been the key objective of the drive.

Art & Cultural Welfare:

Standard Bank boasts beautiful and unique arts and culture, reflecting the fact to be treated as most important. Arts and culture are not only a reflection of civilization, they also provide a spiritual base, encouraging people to share their love and care for one another. All of this contributes to a peaceful society which is a foundation for the development of the nation in all its aspects. Arts and culture are becoming more important in this era of globalization as they reflect unique characteristics which give the people pride in their image in the outside world. Standard Bank has continued to support and promote Bangladeshi arts and culture. During the year 2016 the Bank contributes BDT. 2.0 Million under Art and Culture. The Bank donated BDT.1.0 Million to Chattagram Jela Kriya Songstha for arrangement of Inter district Female Volleyball Tournament organized by Bangladesh Volley Ball Federation on 5-7 June in M.A Aziz Stadium, Chittagong beside this the Bank donated 0.2 Million to Chittagong Seniors' Club Authority as donation for purchasing one unit pool table for sports and recreation of the club members.



Infrastructure improvement in remote/underprivileged areas:

Tackling the inefficiency and financial burden imposed by under-performing infrastructure is an important issue for developing and transitional countries. A lack of adequate infrastructure is an impediment to the development of the wider economy. Considering this purview the Bank donated some amount for constructions of Morudip Jame Mosque and Society of Lohajuri, Kotiadi, Kishoregonj for construction of mosque premise and Noor-E-Madina Islamia Cadet Madrasa of Shuvaki, Delduar, Tangail for construction of mosque premise.

We Serve the Humanity:

Hope is a sine qua non in human life but all hopes cannot be materialized. One dream falls apart while the other rises. Life goes though a topsy-turvy. Amid such a notion, respect, love and responsibility emerges to support the human values. That's why men/women come forward for the wellbeing of the society and country as well. Standard Bank has taken a move on the theme to promote moral values and patriotism. The Bank has donated 1.0 Million to Freedom fighter Biddut Chowdhury Foundation for purchasing new clothes and food item for distribution among the destitute leprosy patients for observing Eid-UI-Fitr-2016.

“ Standard Bank boasts beautiful and unique arts and culture, reflecting the fact to be treated as most important. Arts and culture are not only a reflection of civilization, they also provide a spiritual base, encouraging people to share their love and care for one another. All of this contributes to a peaceful society which is a foundation for the development of the nation in all its aspects. Arts and culture are becoming more important in this era of globalization as they reflect unique characteristics which give the people pride in their image in the outside world. Standard Bank has continued to support and promote Bangladeshi arts and culture.”

ENVIRONMENT RELATED INITIATIVES



Green Banking

In line with global development and response to the environmental degradation, financial sector in Bangladesh should play an important role as one of the key stakeholders. Standard Bank Limited, as part of financial sector of Bangladesh, is also taking part to safeguard the environment.

Decades of careless handling of environment lured by unchecked industrial competition have let loose a Pandora's Box, known as "Global Warming". Global warming also called as "Green House Effect" is a global issue that calls for a global response. The warming is the effect of certain man-made gas emissions such as carbon-di-oxide, methane, nitrous oxide and hydro-fluro carbon are found responsible for distortion of balance in the environment and climate changes. Green Banking is a component of the global initiative by a group of stakeholders to save environment. Bangladesh is one of the most vulnerable countries to climate change. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play an important role as one of the key stakeholders. Standard Bank, as part of financial sector of Bangladesh, is also responsible for safeguard of the environment. From Banker's point of view Green Banking calls for banking business in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, bank should finance green technology and pollution reducing projects. Internally the banking operations have considerably increased the carbon footprint of banks due to their massive use of energy e.g. lighting, air conditioning, electronic/electrical equipment, IT, high paper wastage, lack of green buildings etc. Therefore, to adopt green banking, bank should adopt technology, process, and products which result in substantial reduction of their carbon footprint as well as develop sustainable business.

Green Vision of the Central Bank

Recent development in green banking initiatives conveys much significance. Bangladesh Bank has selected 50 nos. green products under Bangladesh Bank refinance scheme in which we find 07 sectors & 06 sub-sectors with 18 nos. Products under Renewable Energy, 08 nos. products under Efficient Energy, 10 nos. under Waste Management, 07 nos. under Recycling & production of Recyclable products, 01 no. Alternative Energy, 02 nos. under Non-fire Block Brick project & 04 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 green-house 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 Plants, Brick kiln and Solar Photo Voltaic Module assembling plants.

Green Banking as a Safeguard against Risk

Green banking is potential to shield against certain risks. Green banking can act as a tool to mitigate some forms of credit risk, legal risk, reputational risk, security risk etc.

Standard Bank on the road to Green Banking

Apprehended the importance of Green Banking and Policy Guidelines from Bangladesh Bank, Standard Bank Limited

has formulated Product Program Guideline for Green finance. Standard Bank has established as separate unit of Green Banking which will be converted into Sustainable Finance Unit. The Green Banking products specified by Bangladesh Bank can directly or indirectly contribute to the reduction of carbon emissions. The Management of our Bank set budget of BDT 751.36 Million for 2016 for financing under Green Finance. SBL Financed in 7.00 nos. of projects having ETP amount of TK.BDT.4062.00 million in 2015 & in 05 nos. of projects in 2016 having ETP amount of BDT 666.02 Million. For establishment of Solar Panel for house hold use, SBL financed BDT 77.07 Million upto 2016 and Financed in Green Brick Field project Hybrid Hoffman Kiln amount of BDT 88.30 million upto 31 December 2016. The bank is ready to finance in green projects such as Solar Home Systems, Solar Micro/Mini Grid, Solar Irrigation Pump Systems, Solar Photovoltaic Assembly Plants, Bio-Gas Plants, Vermicompost, ETP, WEP, PET Bottle Re-cycle Plant, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field etc.

Green Finance by SBL

During 2016, the SBL financed in 05 projects having ETP and disbursed 669.02 Million. We are going to finance BDT 2.5 Million under Bio-gas Plant very shortly in Comilla. We encouraged paperless banking by expanding online banking, mobile banking and internet banking, use of e-mail and introduction of IP message system. Added deposit alert to mobile banking solution (MBS). Besides, the bank's official participated into training courses on the topics of green banking and impact on environment conducted by Bangladesh Bank.



Bio-gas Plant of M/S. Z. H. Agro Park at Comilla District under Process for Financing by SBL, Comilla Branch.

Financial Inclusion Program of 10 Tk Account holder by SBL

Financial inclusion program of 10 taka account holder on small/marginal/landless farmer, poor income generating people also affected by natural disaster & marginal/small business. Standard Bank Limited under this program from own Capacity of SBL finance Total 319 nos. of individual (Male: 272 & Female: 47) & Total financed amount is BDT 15.13 Million.

In Million BDT

Green Banking Report 2016:

A.	Introducing Green Finance	Total		Remarks
		No. of Projects	Amount	
1	Effluent Treatment Plant (Project Finance Having ETP)*	05	666.02	
2	Bio-gas Plant	Nil	Nil	
3	Solar Panel/Renewal Energy Plant	0	0	
4	Hybrid Hoffman Kiln (Brick Filled)	0	0	
5	Green Finance at reduced rate of interest	0	0	
	Total			
B. Online Banking				
1	No. of ATMs (own ATM & CDM)	55		
2	Shared ATMs(NPSB Network)	All over Bangladesh (50 Banks connected with NPSB)		
3	No. of Branches with online coverage	112		
4	No. of total accounts transaction through ADC Channel	376476		
5	No. of accounts facilitated with internet banking	5672		
6	No. of accounts facilitated with SMS Banking	326156		
7	No. of accounts facilitated with Mobile Banking	1079		
C. Awareness Building				
1	Training Programmes on Green Banking (In-house)	01		
2	Participants in the Training	22		
D. Disclosure				
	Website	Uploaded on the website on the onset upto 2016		
	Annual Report	Green Banking Focus provided in Annual Report 2014, 2015 & 2016		
	Preparation of Green Banking & Sustainability Report			
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 Last year in 2016, SBL assess total number of project 158 nos. under EnvRR guideline of which 135 project rating as Low category, 23 project rated as Moderate category. SBL Financed under Rated project 8549.78 Million in 2016 & outstanding of those A/Cs are 5729.49 Million as on 31 December 2016.



Agriculture / Rural Credit



SBL has strengthened disbursement of credit in Agricultural Sector through formation of a separate credit Division. Agriculture/Rural Credit Division of SBL was established in 2010 as per guidelines set forth by Bangladesh Bank Agriculture and Rural Credit Policy, during the fiscal year 2015-2016, SBL pursued a disbursement target for BDT 1550 Million under Agriculture/Rural Credit and made a total disbursement of BDT 3049.20 Million and achieved 196.72% against the target. We already Achieved Target in the last 03 (Three) consecutive Fiscal Years & In the fiscal year 2013-2014 & 2014-2015 for achieving disbursement target of Agri/Rural Credit, Bangladesh Bank Governor appreciated our Bank by awarding 'Letter of Appreciation'.

Standard Bank Limited receiving 'Letter of Appreciation' for achieving target of Agriculture and Rural Credit Programme for the FY 2014-2015 from Bangladesh Bank.

Strategic Focus

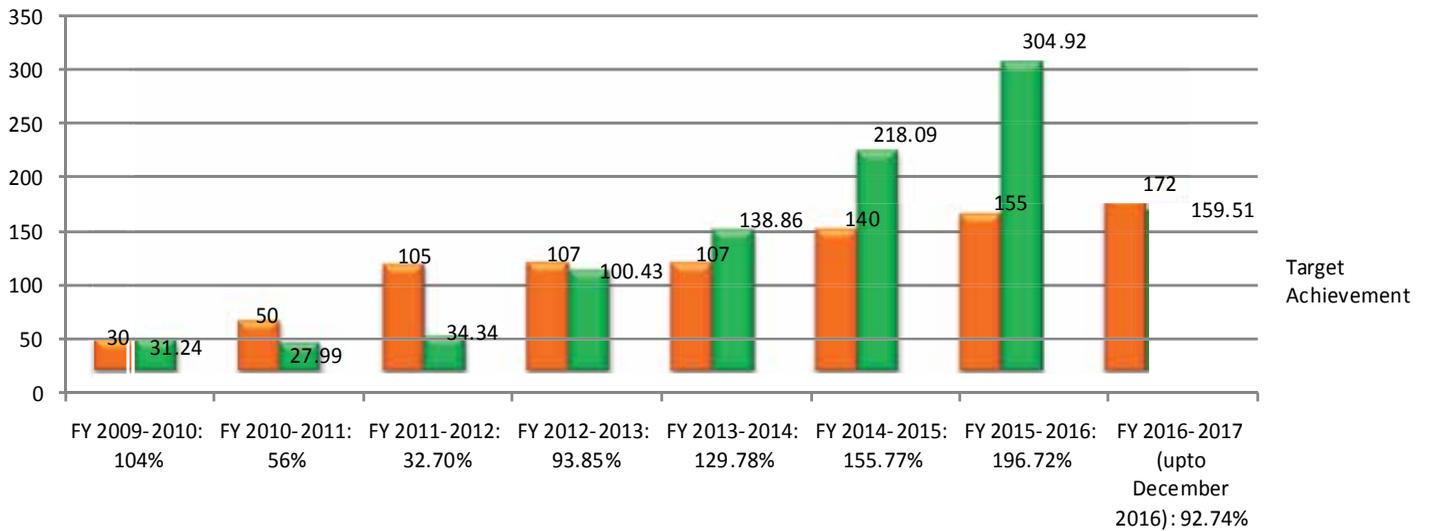
1. In the process of formulating Policy & Program for Agriculture & Rural Credit financing by Bangladesh Bank, the Bank always shared its views and opinions in the Focus Group Discussion. Our feedback on Crop seed regarding inclusion in the Agriculture & Rural Credit has been duly recognized and inserted in the Agriculture & Rural Credit Policy & Program promulgated by Bangladesh Bank.
2. The Bank has taken steps to expedite and enhance direct financing to Agriculture sector through focused Rural Branches rather than utilizing the MFI/NGO Linkage.

Agricultural and Rural Credit Performance:

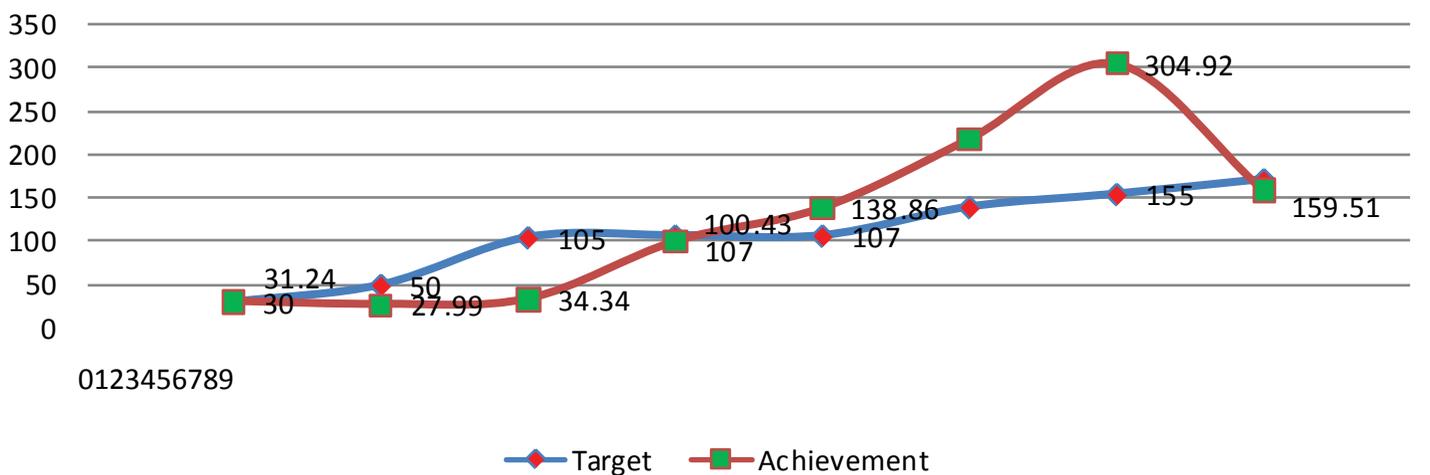
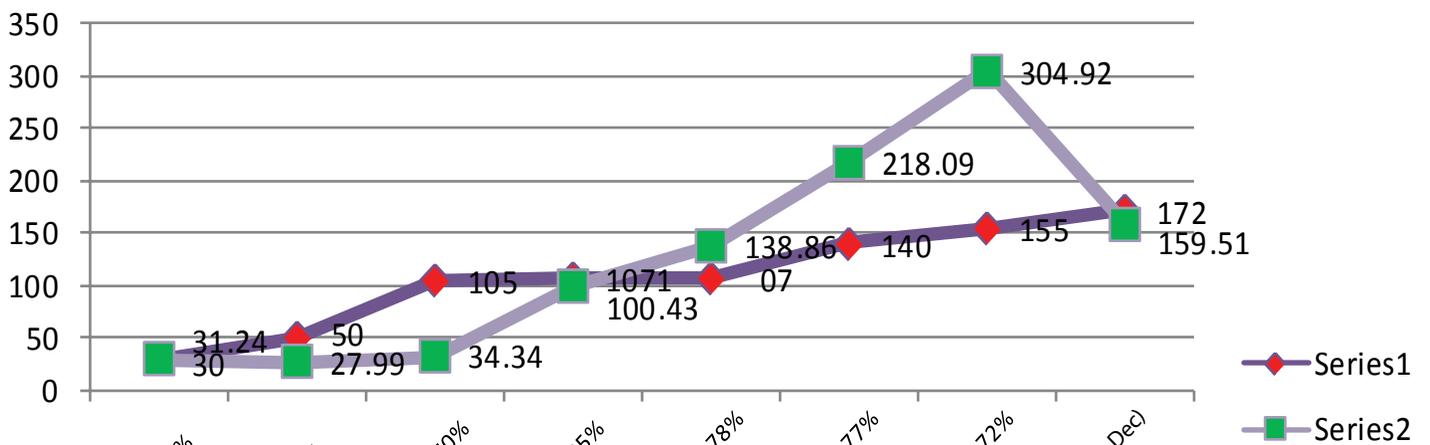
In Million

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 (upto December 31, 2016)	1720	1595	92.74%
Average Investment	13,156	17,973	19,511
Average Equity	7,545	8,755	9,588

Graphical representation of Agricultural and Rural Credit Performance from FY 2009-2010 to 31 December 2016:



Graphical representation of Agricultural and Rural Credit Performance upto 31 December 2016:



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Agriculture Projects under SBL Financing



M/S. Sikder Agro Fish, at Nishchintipur, Nizamkandi, Kashi-ani, Gopalganj, a Fishery project under Agricultural finance of Standard Bank Limited, Gopalganj Branch.



M/S. Uzzaman Robin Poultry Khamar, at Moisertek, Kumartek, Shibpur, Narshingdi, a Poultry project under Agricultural finance of Standard Bank Limited, Malibagh Branch.



M/S. Belal Dairy Farm, at Charlakya, Karnaphuli, Chittagong, a Dairy project under Agricultural finance of Standard Bank Limited, Panchlaish Branch.



MFI Linkage

For a broad-based Agricultural advancement, new partnership has been built between the Government and Banks, Non-Bank Financial Institutions and NGOs. As a result, Ago-based micro finance is getting momentum. Owing to banks' limited outreach in extending finance to marginal producers in the hinterland, NGO Linkage wholesale credit has been thrashed out as a unique solution. SBL looks forward to optimizing this opportunity and has inked a number of deals under NGO linkage wholesale credit program. Our partners increased in 2016 under this mission are

1. Shishu Niloy Foundation,
2. Peoples Development Foundation
3. Dustha Paribar Unnayan Sangstha
4. Annanyo Samaj Kallyan Songstha(ASKS)
5. Palli Mongal Karmosuchi
6. Shakti Foundation for Disadvantaged Women
7. Social Advancement Through Unity (SATU)
8. Samajik Seba Sangathan
9. Development Activities of Society (DAS)
10. Peace Agro Biotec Ltd.
11. Christian Service Society (CSS)
12. Peoples Oriented Program Implementation (POPI)
13. Samammito Jonokallayan Kandro (SJK)
14. Wave Foundation
15. ARS Bangladesh
16. Bangladesh Association for Social Advancement (BASA)



NGOs under SBL Financing under Agriculture Sector:



Yard Meeting (Uthan Boithak) with the Members of Anondipur Jagoron Mohila Samity of GRAMAUS, an NGO of Bangladesh & a Borrower of SBL, Mymensing Branch.



People's Oriental Program Implementation (POPI), an NGO of Bangladesh & a Borrower of SBL, Mohammadpur Branch.



ARS Bangladesh, an NGO of Bangladesh & a Borrower of SBL, Mohammadpur Branch.



Dak Diye Jai, an NGO of Bangladesh & a Borrower of SBL, Aganagar Branch.



Resource Development Foundation (RDF), an NGO of Bangladesh & a Borrower of SBL, Ring Road Branch.

Agri/Rural Credit Disbursement Target for FY 2016- 2017

This year, in compliance with Bangladesh Bank circular, we have taken up an ambitious disbursement target for BDT 1720 Million in Agriculture & Rural credit which is 10.96% higher than the preceding Fiscal year. The target, though hard to achieve is not out of our reach if we remain committed to the goal. The Bank will continue to meet the terms of Bangladesh Bank Agricultural & Rural Credit Policy & Program for the FY 2016-2017. Hopefully, SBL is on the right track to achieve the annual target of BDT 1720 Million in Financing under Agri/Rural Credit having disbursed BDT.1595.13 Million (Own capacity: 201.29 Million, NGO Linkage:1393.83 Million). Moreover, we Achieved 13.33% target by financing BDT 0.4 Million against target of BDT 3.00 Million under Special Priority Sector Crops (Pulses, Oil Seeds, Spices & Maize) upto December 31, 2016 through our Branches



SME Banking



SMEs are a fundamental part of the economic fabric in developing countries, and they play a crucial role in furthering growth, innovation and prosperity. Contribution of SMEs toward economic growth, employment creation, poverty alleviation, social cohesion and local and regional development are widely discussed and there is a wide consensus on this opinion among many economists and entrepreneurs' development researchers. SMEs stipulate private ownership and entrepreneurial skills and can adapt quickly to changing market situation, generate employment, help diversity economic activities and make significant

contribution to exports and trade. Bangladesh government has already identified it as a thrust sector and Bangladesh Bank, in line with the stance has given top priority for financing this sector. As per guideline of Bangladesh Bank, Standard Bank Ltd has taken active role to increase SME financing out of its total loan portfolio. Considering the importance of SMEs in the economy of our country, Standard Bank Limited has formed a separate SMEs Division for maintaining full scale operation of SME financing activities.

To build SME portfolio as the right tool for financial inclusion, sustainability, diversification and earning potentials of the Bank.

Fiscal Year	Target
Enhance and accelerate lending portfolio	Threshold of SME finance enhanced up to BDT 4945.10million from 4227 million and reached to BDT. 6600.04 million in 2016.
Restructure SME portfolio and credit operations focusing on manufacturing sector.	Established dedicated Woman Entrepreneur Desk in Head Office.
Focus on Woman Entrepreneur Finance and cluster finance	SME Lending Portfolio went up by 33.47%
Expand share of refinance from local and foreign funds	Total Outstanding BDT 9871.40 million
Improve asset quality	Total SME Customers increased by 11%
Step up campaign for awareness and marketing	No. of Customers 3042
Build awareness for SME customers through training & workshop	Total Outstanding BDT 37.50 million
Develop new products for both asset and liability customers	Refinance obtained from Bangladesh Bank BDT 117.30 million

Objectives 2016

- Enhance finance to various strategic segments towards obtaining more refinance from BB, JICA and ABD
- Develop new products for Women Entrepreneurs as well as SME enterprises
- Restructure SME into 4 key segments i.e. SME(Medium), SME(Small), SME(Micro) & SME (Cottage)
- Pursue target for ME, SE, WE and cluster finance with geographical concentration
- Arrange meeting, seminar, training for SME customers on regional basis across Dhaka, Chittagong, Khulna, Sylhet and North Bengal
- Introduce three-tier monitoring system to ensure growth of the SME sector in the economy
- Design a Business Plan to promote overall SME business
- SME Loan target for 2017: BDT 10500 million.

Focus Sector:

Light engineering, handicraft, flower, fish processing, handloom, rice-mill, jamdani, Rajshahi silk, khadi, bio-gas and composite fertilizer etc

Sector	Activity Type	Man Power	Fixed Asset excluding factory land & building	
Medium	Manufacturing	100 - 250	10 to 30 crore	
	Service	50 - 100	1 to 15 crore	
	trade	11-50	1 to 15 crore	
Small	Manufacturing	25 - 99	50 lac to 10 crore	
	Service	10 - 49	5 lac to 1 crore	
	trade	6-10	5 lac to 1 crore	
Micro	Manufacturing	10 - 24		
	Service	< 10	5 lac to 50 lac	
	trade	< 5	< 5 lac	
Cottage		< 10	< 5 lac	Mainly family members

Source: Bangladesh Bank SMESPED Circular No. 01 dated 07 January 2016.

Present Context

SME business was badly hit during last year's political turmoil. Paralyzed transportation system and disrupted supply chain could hardly help SME growth potentials observed in the last few years. Small businesses were fighting for survival in dearth of capital and reserve fund. As a result, failure in timely repayment of SME loans became a challenge to financing banks. On the backdrop, BRPD circular dated December 18, 2013, the Central Bank relaxed loan rescheduling policy for the SME for the next six months to facilitate financing for the small and medium businesses, affected by the political unrest. The regulation had a healing impact on SME portfolio and it is expected that the shining growth of SME will go on in 2017 with the sign of improvement in the political fronts.

Our Approach

Standard Bank has formally stepped into financing SMEs in the country since its inception. At present, the Bank is catering SME banking services through its 108 regular Branches including 7 SME & Krishi Branches. The Bank focuses on diversification, differentiation, and segmentation in SME business. To this effect, manufacturing and service sectors as well as women entrepreneurs are given considerable focus. The Bank, in principle and as per guidance of the Board, has advised all small Branches to focus singly or preferably on SME business with a view to serving the underserved segment of the enterprises. The Bank targets manufacturing and service sector with more concentration on area based cluster industries. Bank's exposure to SME business is well diversified among the entrepreneurs in varied sectors such as grocery shop, light engineering, handy crafts, cottage, power loom, agro-processing industries, poultry, dairy, boutiques and embroidery and so on.

The Bank helps create database of SME clients, carry out survey and other necessary actions by providing relevant information to Bangladesh Bank, SME Foundation, BIBM and other institutions. The Bank was visible in almost all SME programmes such as SME Fair, Workshop, Seminar, Symposium, Focus Group Discussion (FGD) organized by Bangladesh Bank, SEDF, IFC and many other national and international agencies to disseminate expertise, knowledge and information. SME Monitoring Unit has been equipped to oversee SME loan target, supervise delinquent SME accounts and enforce remedial effects as and when necessary and to maintain liaison with branches and SME clients. Area wise focal persons are working to meet SME related queries, share information and register complaints from SME clients.

Operating Highlights

SBL recognizes that SMEs as a core part of financial integration is key to achieving sustainable growth of a financial institution. Considering the prospects and growing opportunities of SME Finance, Standard Bank made a strategic shift in SME portfolio. The threshold (loan limit) for SME finance has been enhanced to 7508.70 Million under trading. Under the new arrangements along with

our continued support for promotion of SME business, Bank's total SME loan portfolio has increased by 33.50% to BDT 9871.40 million. The change also contributed to Bank's profitability that resulted from the reduction in provision requirement for the Bank.

Financial Highlights

SBL's current SME portfolio stands at BDT 9871.40 million as on December 31, 2016. Bank's disbursement to SME sector during 2016 aggregated to BDT 6600.40 million against the budgetary target of BDT. 7,500.00 million.

Performance of Standard Bank Ltd at a glance:

SME Division of Standard Bank Limited has already assigned dedicated SME officers in different 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 of our branches including specialized SME & Krishi branches are now ready to serve any SME customers through dedicated and well trained SME officers. 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. 825.00 Crore has been set up for the year 2016 and communicated to the branches. Branches have been disbursed Tk. 660.04 Crore under SME sector during 2016 while it was Tk. 494.41 Crore up to December 2015.

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:

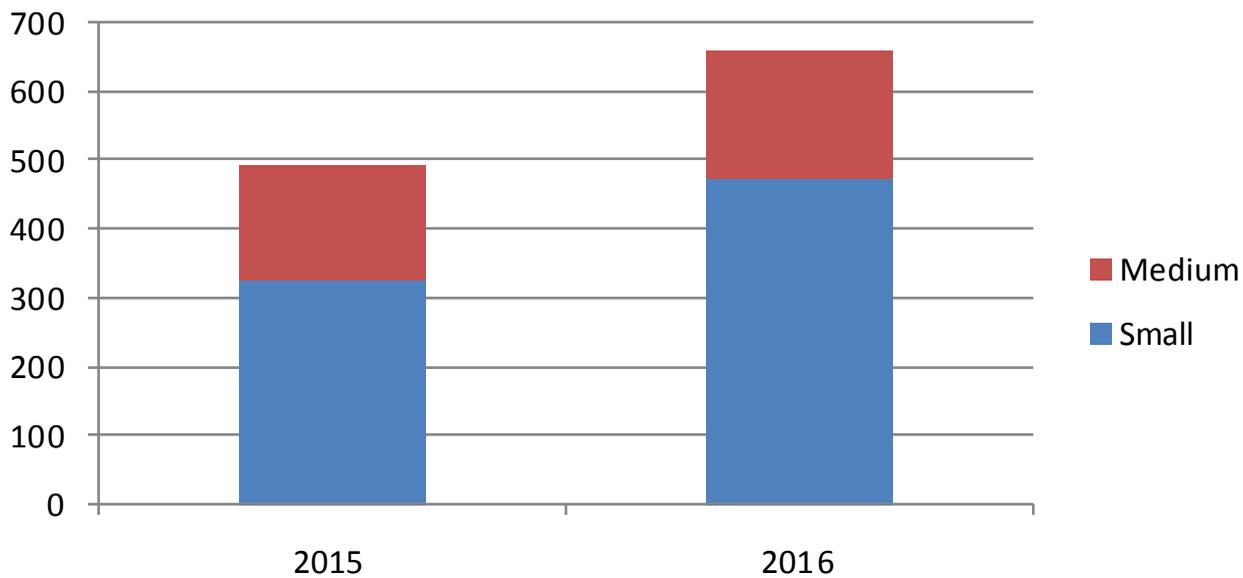
Agreement has been executed with Bangladesh Bank on 06.04.2010 & 06.07.2010 for refinance against disbursed loan to Women Entrepreneurs (@10% interest) & for refinance against disbursed loan for setting up agro-processing rural industries to get refinance against disbursed loan to support Small & Medium sized manufacturing enterprises. So far we have received Tk. 11.74 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.

Comparative Business Performance on SME financing as on 31.12.2016:

Fig. in Crore

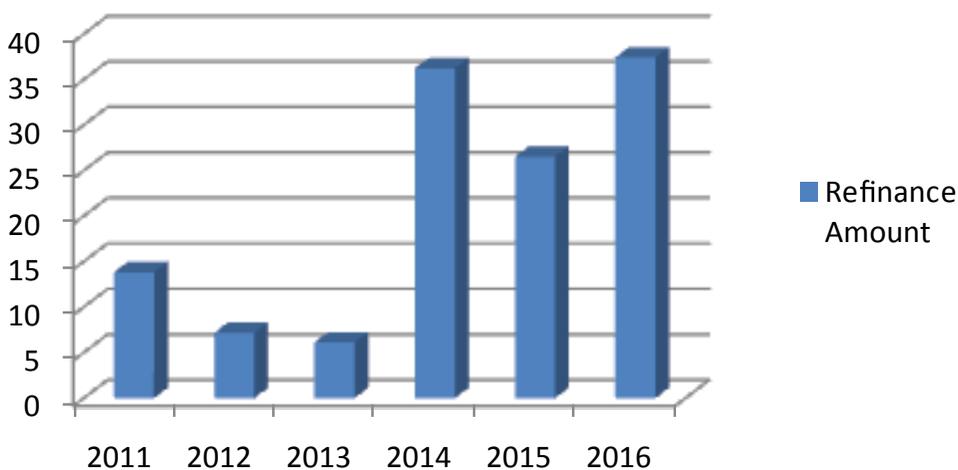
Enterprise	Disbursement during the year		Growth Rate	Yearly Target	Achievement (%)	Outstanding as on 31.12.2015	Outstanding as on 31.12.2016
	2015	2016	2016	2016	2016		
Small	324.97	475.89	46.44 %	363.00	131.10 %	489.19	586.48
Medium	169.44	184.15	8.68 %	462.00	39.86 %	299.47	400.66
Total	494.41	660.04	33.50 %	825.00	80.01 %	788.66	987.14



Refinance History (6 years Receipt of Fund):

2011	2012	2013	2014	2015	2016
13.8	7.15	6.10	36.20	26.50	37.40

Refinance Amount



SME Product:

1.	Manufacturing wooden & steel furniture	12.	Weaving, handloom & Embroidery
2.	Poultry Business	13.	Varieties handicrafts & potteries
3.	Nursery Business	14.	Hardware & software servicing
4.	Manufacturing plastic products	15.	Bakery/Hotel/Fast food/Restaurant
5.	Manufacturing spare parts of Car/auto rickshaw	16.	Light engineering viz Radio, TV, Refrigerator , Computer, Mobile set servicing
6.	Diagnostic Center, Clinic, Pharmacy	17.	Rice mill & light engineering workshop
7.	Herbal treatment & beauty pourler	18.	Fish feed, poultry feed
8.	Recreation park, tourist spot & resort	19.	Readymade Garments, hosiery & fabrics
9.	Wholesale & retail shop	20.	Mushroom production & marketing
10.	Grocery shop	21.	Electronics & electrical goods
11.	Departmental store		

Key Attributes:

- Available at all SBL Branches and SME Service Centers
- Easy terms and conditions
- Rate of interest only at 10.00% under Women Entrepreneur Refinance Scheme (BB)
- Quick approval process
- Unsecured facility for a certain limit

Operating Highlights

Till date, the Bank has disbursed considerable amount of loan to 126 Women Entrepreneurs under Women Entrepreneur Refinance Scheme by Bangladesh Bank. Disbursement in WE Finance is around BDT 131.50 million. Total disbursement to WE reached BDT 131.50 million in 2016 against BDT 940.50 million in 2015. Products and services offered by Women Entrepreneurs included Boutiques, Readymade garments, Crockery Items, Embroidery and Designing, Fisheries, Agro Products, Personal Care, Training Centre and so forth.

New Products underway:

- SBL Babosha Shachal
- SBL Babosha Unnayan
- SBL Babosha Shommridhi
- SBL Karma Uddog
- SBL Nari Anuprerona

Events and Fairs on SME participated by Standard Bank Limited during 2015 & 2016:

- "2nd SME Banking Match Making Fair" of 9th International Women's SME Expo Bangladesh- 2015 organized by

Chittagong Women Chamber of Commerce & Industry (CWCCI).

- SME entrepreneurs-Bankers fair arranged by SME Foundation & Bangladesh Bank at Hotel Sonargaon.

- 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.

SME Development Planning 2017

The Bank has decided to invest funds on cluster basis along with an area approach method, as per Bangladesh Bank initiatives. To the tune of BB mechanism, we are planning to introduce 3-TIER new monitoring system using mobile phone to ensure proper utilization of SME loans across the country to review SME Credit Programs regularly. We will remain careful to follow relaxation on loan rescheduling policy for the SMEs properly. At the same time, strong monitoring on SME loans will continue so that the betterment in asset quality is not hurt by further downgrading of assets.

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 2016 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 2016 annual integrated report covers the period between 1st January 2016 and 31 December 2016. All materials that matters, up to group board of directors (Board) approval on 22 March 2017, 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 2016 with relevant comparative information. The financial statements consistently comply with the requirements of:

- Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs),
- Relevant rules & regulations of Bangladesh Bank (The Central Bank);
- Companies Act 1994;
- Bank companies Act 1991;
- Financial Institutions Act 1993;
- 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 2016 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 2016 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	Shafiq Basak & Co. Chartered Accountants
2	Financial Statements of Standard Bank Limited	Shafiq Basak & Co. Chartered Accountants
3	Financial Statements of Standard Bank Capital Management Limited	Shafiq Basak & Co. Chartered Accountants
4	Financial Statements of Standard Exchange (UK) Limited	Jahan & Co. Chartered Management Accountants
5	Financial Statements of Standard Co (USA) Inc	KM Haque CPA, PC
6	Corporate Governance	Ahmed Zaker & Co. Chartered Accountants
7	Financial Statements of Standard Bank Foundation	Khan Wahab Shafique Rahman & Co. Chartered Accountants
8	Provident Fund	Khan Wahab Shafique Rahman & Co. Chartered Accountants
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	Shafiq Basak & Co. Chartered Accountants

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.

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Auditors' Report to the Shareholders of Standard Bank Ltd.

We have audited the accompanying consolidated financial statements of Standard Bank Ltd. (SBL) and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of Standard Bank Ltd. (the "Bank") which comprise the consolidated and separate Balance Sheets as at 31 December 2016, consolidated and separate profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended in the year 2013) and the local central bank (Bangladesh Bank) Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the con-

solidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank are prepared and maintained according to the Bangladesh Accounting Standard (BAS) and reported in accordance with the Bangladesh Financial Reporting Standard (BFRS) as explained in note-2 give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and cash flows for the year then ended and comply with the Companies Act 1994 and Banking Companies Act 1991 (as amended in the year 2013).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act 1991 (as amended in the year 2013) and the rules and regulations issued by Bangladesh Bank, we also report that:

- 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 Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements

of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:

- a) Internal audit, internal control and risk management procedure practicable for the respective job of the Group and the Bank as disclosed in Note 2 to the financial statements appeared to be materially adequate;
- b) Nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- iii. Financial statements of subsidiaries of the Bank have been audited by us as well as other auditors and have been properly reflected in the consolidated financial statements;
- iv. In our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- v. The consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vi. The expenditures incurred were for the purpose of the Bank's business;
- vii. The consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- viii. Adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery as per tripartite meeting held on March 09, 2017 and Bangladesh Bank's advice vide letter no. DBI-1/111/2017-1156 dated March 15, 2017;
- ix. The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- 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 we have spent around 3,960 person hours during the audit; and
- xii. Capital to Risk weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year.

Dhaka
22th March, 2017


SHAFIQ BASAK & CO.
Chartered Accountants

Standard Bank Limited

Consolidated Balance Sheet

As at 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
PROPERTY & ASSETS			
CASH	3(a)	8,463,586,889	7,212,468,361
Cash in Hand (including foreign currencies)		964,813,799	830,241,390
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		7,498,773,090	6,382,226,971
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4(a)	1,232,981,616	2,278,351,501
In Bangladesh		556,528,764	1,912,602,964
Outside Bangladesh		676,452,852	365,748,537
MONEY AT CALL AND ON SHORT NOTICE	5	190,000,000	1,070,000,000
INVESTMENTS	6(a)	25,532,668,306	19,108,633,357
Government		15,700,064,414	14,541,005,217
Others		9,832,603,892	4,567,628,140
LOANS AND ADVANCES / INVESTMENTS	7(a)	105,039,085,020	91,486,624,608
Loans, Cash Credits, Over Draft etc./ Investments		102,691,889,320	89,971,058,259
Bills Purchased and Discounted		2,347,195,700	1,515,566,349
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES	8(a)	3,515,583,288	3,472,858,710
OTHER ASSETS	9(a)	8,815,302,323	7,692,126,752
NON-BANKING ASSETS		-	-
TOTAL ASSETS		152,789,207,443	132,321,063,288
LIABILITIES & CAPITAL			
LIABILITIES			
Borrowings from other banks, financial Institutions and agents	10(a)	5,283,577,204	3,246,567,061
DEPOSITS AND OTHER ACCOUNTS	11(a)	122,553,831,487	106,931,731,987
Current / Al-Wadeeah Deposits & Other Deposits		14,914,823,601	13,304,170,190
Bills Payable		2,908,731,946	1,244,563,604
Savings Bank / Mudaraba Savings Deposits		8,036,626,269	6,084,761,875
Short Term Deposits / Mudaraba Short Term Deposits		4,621,491,769	3,109,669,981
Fixed Deposits / Mudaraba Term Deposits		83,045,594,746	74,648,028,186
Deposits Under Schemes / Mudaraba Deposit Schemes		9,026,563,156	8,540,538,150
OTHER LIABILITIES	12(a)	12,379,060,238	10,668,526,651
TOTAL LIABILITIES		140,216,468,929	120,846,825,699
CAPITAL / SHAREHOLDERS' EQUITY			
Paid-up Capital	13	7,541,019,020	6,557,407,850
Statutory Reserve	14(a)	4,175,158,942	3,753,432,725
General Reserve	15	-	-
Revaluation Reserve on Investment	15.1(a)	23,697,443	16,389,640
Surplus in Profit and Loss Account/ Retained earnings	16(a)	832,722,855	1,146,871,194
TOTAL SHAREHOLDERS' EQUITY		12,572,598,260	11,474,101,409
Minority Interest	16.1(b)	140,254	136,180
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		152,789,207,443	132,321,063,288
Net Asset Value (NAV) per share		16.67	15.22

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES	17(a)		
Acceptances and Endorsements		12,428,866,567	11,643,865,982
Letters of Guarantee		7,525,814,039	6,585,987,015
Irrevocable Letters of Credit		10,157,338,856	8,481,854,996
Bills for Collection		3,374,586,929	2,484,387,483
Other Contingent Liabilities		-	-
TOTAL:		33,486,606,391	29,196,095,476
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		33,486,606,391	29,196,095,476

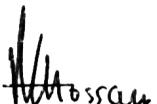
These financial statements should be read in conjunction with annexed notes



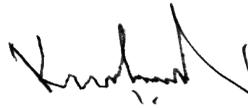
Managing Director



Director

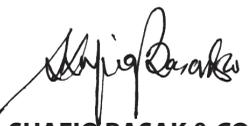


Director



Chairman

See annexed auditors' report to the Shareholders of the date.



SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Consolidated Profit and Loss Account

For the year ended 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
Interest Income / Profit on Investment	18.3(a)	10,292,949,662	10,561,020,082
Interest / Profit paid on Deposits & Borrowings etc.	19(a)	6,975,885,969	7,794,829,928
Net Interest / Profit on Investments		3,317,063,693	2,766,190,154
Investment Income	20(a)	1,573,697,558	1,915,715,547
Commission, Exchange Earnings & Brokerage	21(a)	911,545,206	897,172,709
Other Operating Income	22(a)	299,688,823	278,585,874
		2,784,931,587	3,091,474,130
TOTAL OPERATING INCOME (A)		6,101,995,280	5,857,664,284
Salary & Allowances	23(a)	1,692,640,595	1,621,075,229
Rent, Taxes, Insurance, Electricity etc.	24(a)	462,437,627	389,875,264
Legal Expenses	25(a)	16,757,272	6,761,661
Postage, Stamp, Telecommunication etc.	26(a)	30,524,877	28,481,129
Stationery, Printing, Advertisement etc.	27(a)	61,904,368	52,569,132
Managing Director's salary & fees	28	7,675,000	8,420,000
Directors' Fee & Other benefits	29(a)	9,142,543	7,029,954
Audit Fees	30(a)	1,481,283	570,125
Charges on loan losses	31(a)	41,071,742	40,199,748
Depreciation and Repair of Bank's Assets	32(a)	175,288,172	154,467,601
Other Expenses	33(a)	379,458,294	273,328,565
TOTAL OPERATING EXPENSES (B)		2,878,381,773	2,582,778,408
Profit / (Loss) Before Provision (C) = (A - B)		3,223,613,507	3,274,885,875
Provision for Loans/ investments	34(a)		
Specific Provision		701,701,606	450,946,471
General Provision		126,416,778	32,018,645
Provision for Off-Balance Sheet items		42,905,109	19,448,405
Provision for diminution in value of investments		33,974,207	71,258,892
Provision for impairment of client margin loan		94,434,142	50,936,292
Other Provision		-	21,174,274
Total Provision (D)		999,431,842	645,782,979
Total Profit / (Loss) before Taxes (E)=(C - D)		2,224,181,665	2,629,102,897
Provision for Taxation	35(a)		
Current Tax		1,127,484,043	1,026,191,222
Deferred Tax		8,496,588	6,486,438
Net Profit / (Loss) after Taxation :		1,088,201,035	1,596,425,237
Retained earnings brought forward from previous year	16.1(a)	166,248,038	23,994,626
Net Profit available for distribution		1,254,449,072	1,620,419,863
Appropriations :			
Statutory Reserve	14(a)	421,726,218	473,548,668
Proposed Bonus Shares		-	-
Retained Earnings carried forward		832,722,855	1,146,871,195
Consolidated Earning per Share (EPS):	36(a)	1.44	2.12
Bank Earning per Share (EPS):		1.38	1.88

These financial statements should be read in conjunction with annexed notes

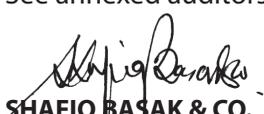

Managing Director

See annexed auditors' report to the Shareholders of the date.


Director


Director


Chairman


SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Consolidated Cash Flow Statement

For the year ended 31 December, 2016

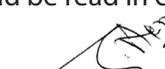
Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts in Cash		11,614,259,777	11,953,141,651
Interest payments in Cash		(6,170,656,215)	(7,534,137,868)
Dividend receipts		34,177,101	58,791,592
Fee and commission receipts in Cash		569,971,482	592,233,594
Recoveries on loans previously written off		-	2,846,000
Cash Payments to employees		(1,700,315,595)	(1,629,651,229)
Cash Payments to suppliers		(61,904,368)	(52,569,132)
Income taxes paid		(1,008,047,802)	(987,460,884)
Receipts from other operating activities	37 (a)	584,925,393	641,891,410
Payments for other operating activities	38 (a)	(980,432,727)	(859,816,633)
Cash generated from operating activities before changes in operating assets and liabilities		2,881,977,046	2,185,268,499
Increase / (Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase of trading securities		(5,264,975,752)	(1,812,091,089)
Loans and advances to other banks		-	-
Loans and advances to customers		(13,965,942,562)	(11,466,134,390)
Other assets	39(a)	(448,111,570)	(211,729,760)
Deposits from other banks		1,460,000,000	1,400,000,000
Deposits from customers		13,356,869,746	7,970,297,117
Other liabilities account of customers		-	-
Trading liabilities		2,037,010,143	(2,244,499,296)
Other liabilities	40(a)	241,854,634	824,584,192
		(2,583,295,362)	(5,539,573,225)
Net cash flows from operating activities (A)		298,681,684	(3,354,304,726)
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-trading securities		-	-
Payments for Purchase of securities		-	-
Purchase of property, plant & equipment		(170,703,170)	(158,863,539)
Sale of property, plant & equipment		7,947,800	983,600
Purchase / sale of subsidiary		-	-
Net cash flow from investing activities (B)		(162,755,370)	(157,879,939)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan capital and debt security		-	2,000,000,000
Received for redemption of loan capital and debt security		-	-
Receipts from issue of ordinary shares		-	-
Dividends paid		-	-
Net cash flow from financing activities (C)		-	2,000,000,000
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		135,926,314	(1,512,184,666)
E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		341,573,724	304,939,116
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		25,085,435,438	26,292,680,988
G) CASH AND CASH EQUIVALENTS AT END OF THE QUARTER (D+E+F)		25,562,935,476	25,085,435,438
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER			
Cash in hand (including foreign currencies)		964,813,799	830,241,390
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		7,498,773,090	6,382,226,971
Balance with other Banks and financial institutions		1,232,981,616	2,278,351,500
Money at Call and Short Notice		190,000,000	1,070,000,000
Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment)		15,672,307,571	14,522,754,577
Prize Bonds		4,059,400	1,861,000
		25,562,935,476	25,085,435,438
Net Operating Cash Flows (NOCF) per Share		0.40	(4.45)

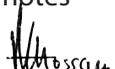
Net Operating Cash Flows (NOCF) per Share

These financial statements should be read in conjunction with annexed notes

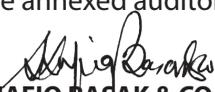

Managing Director

See annexed auditors' report to the Shareholders of the date.


Director


Director


Chairman


SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Consolidated Statement of Changes in Shareholders' Equity

for the year ended 31 December, 2016

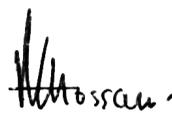
Particulars	Paid up Capital	Statutory Reserve	Minority Interest	Revaluation gain/loss on investments	Profit & Loss surplus A/c	Total
Balance as on 1-1-2016	6,557,407,850	3,753,432,725	136,180	16,389,640	1,146,277,108	11,473,643,503
Prior years adjustment	-	-	-	-	594,086	-
Changes in accounting policy	-	-	-	-	-	-
Restated Balance	6,557,407,850	3,753,432,725	136,180	16,389,640	1,146,871,194	11,474,237,589
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-
Adjustment of last year revaluation gain on investments	-	-	-	(16,389,640)	-	(16,389,640)
Surplus/Deficit on revaluation of investment	-	-	-	23,697,443	-	23,697,443
Currency translation difference	-	-	-	-	2,992,088	2,992,088
Net gains and losses not recognised in the income statement	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	-
Adjustment of last year	-	-	-	-	-	-
Net profit for the period	-	-	-	-	1,088,201,035	1,088,201,035
Dividends (Cash /Bonus shares)	983,611,170	-	-	-	(983,611,170)	-
Minority Interest	-	-	4,074	-	(4,074)	-
Issue of Right Shares	-	-	-	-	-	-
Appropriation made during the year	-	421,726,218	-	-	(421,726,218)	-
Balance as on 31.12.2016	7,541,019,020	4,175,158,942	140,254	23,697,443	832,722,855	12,572,738,514
Balance as on 31.12.2015	6,557,407,850	3,753,432,725	136,180	16,389,640	1,146,871,194	11,474,237,589



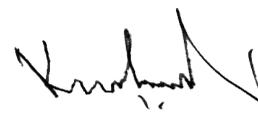
Managing Director



Director



Director



Chairman

See annexed auditors' report to the Shareholders of the date.



SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Balance Sheet

As at 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
PROPERTY & ASSETS			
CASH	3	8,431,624,413	7,196,644,159
Cash in Hand (including foreign currencies)		932,851,323	814,417,188
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		7,498,773,090	6,382,226,971
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4	999,506,331	1,900,582,811
In Bangladesh		385,359,986	1,612,111,555
Outside Bangladesh		614,146,345	288,471,256
MONEY AT CALL AND ON SHORT NOTICE	5	190,000,000	1,070,000,000
INVESTMENTS	6	25,897,259,565	19,586,334,740
Government		15,700,064,414	14,541,005,217
Others		10,197,195,151	5,045,329,523
LOANS AND ADVANCES / INVESTMENTS	7	104,456,114,013	90,844,221,432
Loans, Cash Credits, Over Draft etc./ Investments		102,108,918,313	89,328,655,084
Bills Purchased and Discounted		2,347,195,700	1,515,566,349
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES	8	3,491,354,112	3,444,023,570
OTHER ASSETS	9	8,188,033,275	7,163,467,419
NON-BANKING ASSETS		-	-
TOTAL ASSETS		151,653,891,709	131,205,274,132
LIABILITIES & CAPITAL			
LIABILITIES			
Borrowings from other banks, financial Institutions and agents	10	5,266,979,944	3,115,837,033
DEPOSITS AND OTHER ACCOUNTS	11	122,524,939,102	106,904,584,346
Current / Al-Wadeeah Deposits & Other Deposits		14,885,931,216	13,277,022,550
Bills Payable		2,908,731,946	1,244,563,604
Savings Bank / Mudaraba Savings Deposits		8,036,626,269	6,084,761,875
Short Term Deposits / Mudaraba Short Term Deposits		4,621,491,769	3,109,669,981
Fixed Deposits / Mudaraba Term Deposits		83,045,594,746	74,648,028,186
Deposits Under Schemes / Mudaraba Deposit Schemes		9,026,563,156	8,540,538,150
OTHER LIABILITIES	12	11,336,265,000	9,847,003,793
TOTAL LIABILITIES		139,128,184,046	119,867,425,173
CAPITAL / SHAREHOLDERS' EQUITY			
Paid-up Capital	13	7,541,019,020	6,557,407,850
Statutory Reserve	14	4,175,158,942	3,753,432,725
General Reserve	15	-	-
Revaluation Reserve on Investment	15.1	23,697,443	16,389,640
Surplus in Profit and Loss Account/ Retained earnings	16	785,832,258	1,010,618,744
TOTAL SHAREHOLDERS' EQUITY		12,525,707,663	11,337,848,959
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		151,653,891,709	131,205,274,132
Net Asset Value (NAV) per share		16.61	15.03

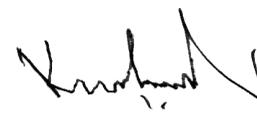
Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances and Endorsements	17.1	12,428,866,567	11,643,865,982
Letters of Guarantee	17.2	7,525,814,039	6,585,987,015
Irrevocable Letters of Credit	17.3	10,157,338,856	8,481,854,996
Bills for Collection	17.4	3,374,586,929	2,484,387,483
Other Contingent Liabilities	17.5	-	-
TOTAL:		33,486,606,391	29,196,095,476
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		33,486,606,391	29,196,095,476

These financial statements should be read in conjunction with annexed notes


Managing Director


Director


Director


Chairman

See annexed auditors' report to the Shareholders of the date.


SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Profit and Loss Account

For the year ended 31 December, 2016

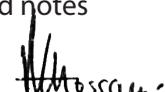
Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
Interest Income / Profit on Investment	18	10,190,193,175	10,424,600,767
Interest / Profit paid on Deposits & Borrowings etc.	19	6,972,385,990	7,792,692,733
Net Interest / Profit on Investments		3,217,807,185	2,631,908,034
Investment Income	20	1,439,597,534	1,697,768,550
Commission, Exchange Earnings & Brokerage	21	765,281,388	725,011,887
Other Operating Income	22	297,052,826	274,705,930
		2,501,931,748	2,697,486,367
TOTAL OPERATING INCOME (A)		5,719,738,933	5,329,394,401
Salary & Allowances	23	1,634,484,537	1,563,656,328
Rent, Taxes, Insurance, Electricity etc.	24	429,747,049	360,476,918
Legal Expenses	25	10,803,149	3,320,768
Postage, Stamp, Telecommunication etc.	26	28,696,783	26,405,225
Stationery, Printing, Advertisement etc.	27	58,154,377	48,290,725
Managing Director's salary & fees	28	7,675,000	8,420,000
Directors' Fee & Other benefits	29	7,176,344	5,874,500
Audit Fees	30	1,138,500	503,750
Charges on loan losses	31	40,000,000	40,199,748
Depreciation and Repair of Bank's Assets	32	168,342,637	147,374,400
Other Expenses	33	353,865,977	233,540,907
TOTAL OPERATING EXPENSES (B)		2,740,084,353	2,438,063,268
Profit / (Loss) Before Provision (C) = (A - B)		2,979,654,580	2,891,331,133
Provision for Loans/ investments	34		
Specific Provision		701,701,606	450,946,471
General Provision		126,416,778	32,018,645
Provision for Off-Balance Sheet items		42,905,109	19,448,405
Provision for diminution in value of investments		-	-
Other Provision		-	21,174,274
Total Provision (D)		871,023,493	523,587,795
Total Profit / (Loss) before Taxes (E)=(C - D)		2,108,631,087	2,367,743,338
Provision for Taxation	35	1,065,073,936	946,729,991
Current Tax		1,056,577,348	940,243,553
Deferred Tax		8,496,588	6,486,438
Net Profit / (Loss) after Taxation :		1,043,557,151	1,421,013,347
Retained earnings brought forward	16.1	164,001,324	63,154,065
Net Profit available for distribution		1,207,558,475	1,484,167,412
Appropriations :			
Statutory Reserve		421,726,217	473,548,668
Proposed Bonus Shares		-	-
Retained Earnings carried forward		785,832,258	1,010,618,744
Earning Per Share (EPS):	36	1.38	1.88

These financial statements should be read in conjunction with annexed notes

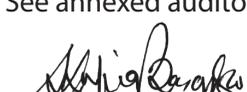

Managing Director

See annexed auditors' report to the Shareholders of the date.


Director


Director


Chairman


SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Cash Flow Statement

For the year ended 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
A) CASH FLOW FROM OPERATING ACTIVITIES			
Interest receipts in Cash		11,377,403,266	11,600,912,534
Interest payments in Cash		(6,167,156,236)	(7,533,596,201)
Dividend receipts		34,177,101	58,791,592
Fee and commission receipts in Cash		423,707,664	420,072,772
Recoveries on loans previously written off		-	2,846,000
Cash Payments to employees		(1,642,159,537)	(1,572,076,328)
Cash Payments to suppliers		(58,154,377)	(48,290,725)
Income taxes paid		(934,265,572)	(903,384,251)
Receipts from other operating activities	37	582,289,396	638,011,466
Payments for other operating activities	38	(916,397,809)	(822,285,222)
Cash generated from operating activities before changes in operating assets and liabilities		2,699,443,895	1,841,001,635
Increase / (Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase of trading securities		(5,151,865,629)	(1,500,316,674)
Loans and advances to other banks		-	-
Loans and advances to customers		(13,611,892,581)	(10,835,377,251)
Other assets	39	(400,813,562)	(250,289,949)
Deposits from other banks		1,460,000,000	1,400,000,000
Deposits from customers		13,355,125,002	7,974,883,062
Other liabilities account of customers		-	-
Trading liabilities		2,151,142,911	(2,244,499,296)
Other liabilities	40	(74,303,220)	99,034,057
Net cash flows from operating activities (A)		(2,272,607,079)	(5,356,566,050)
		426,836,816	(3,515,564,415)
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-trading securities		-	-
Payments for Purchase of securities		-	-
Purchase of property, plant & equipment		(170,703,172)	(158,863,545)
Sale of property, plant & equipment		7,947,800	983,600
Purchase / sale of subsidiary		-	-
Net cash flow from investing activities (B)		(162,755,372)	(157,879,945)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan capital and debt security		-	2,000,000,000
Received for redemption of loan capital and debt security		-	-
Receipts from issue of ordinary shares		-	-
Dividends paid		-	-
Net cash flow from financing activities (C)		-	2,000,000,000
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		264,081,444	(1,673,444,360)
E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		341,573,724	304,939,116
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		24,691,842,547	26,060,347,792
G) CASH AND CASH EQUIVALENTS AT END OF THE QUARTER (D+E+F)		25,297,497,715	24,691,842,547
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
Cash in hand (including foreign currencies)		932,851,323	814,417,188
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		7,498,773,090	6,382,226,971
Balance with other Banks and financial institutions		999,506,331	1,900,582,811
Money at Call and Short Notice		190,000,000	1,070,000,000
Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment)		15,672,307,571	14,522,754,577
Prize Bonds		4,059,400	1,861,000
		25,297,497,715	24,691,842,547
Net Operating Cash Flows (NOCF) per Share		0.57	(4.66)

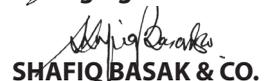
These financial statements should be read in conjunction with annexed notes


Managing Director


Director


Director


Chairman


SHAFIQ BASAK & CO.
Chartered Accountants

See annexed auditors' report to the Shareholders of the date.

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Statement of Changes in Shareholders' Equity

For the year ended 31 December, 2016

Particulars	Paid up Capital	Statutory Reserve	General Reserve	Revaluation gain/loss on investments	Profit & Loss surplus A/c	Total
Balance as on 1-1-2016	6,557,407,850	3,753,432,725	-	16,389,640	1,010,618,744	11,337,848,959
Changes in accounting policy	-	-	-	-	-	-
Restated Balance	6,557,407,850	3,753,432,725	-	16,389,640	1,010,618,744	11,337,848,959
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-
Adjustment of last year revaluation gain on investments	-	-	-	(16,389,640)	-	(16,389,640)
Surplus/Deficit on revaluation of investment	-	-	-	23,697,443	-	23,697,443
Currency translation difference	-	-	-	-	-	-
Net gains and losses not recognised in the income statement	-	-	-	-	-	-
Adjustment of last year	-	-	-	-	-	-
Net profit for the period	-	-	-	-	1,043,557,151	1,043,557,151
Dividends from SBL Capital Management Ltd	-	-	-	-	104,996,150	104,996,150
Dividends from SBL Securities Ltd	-	-	-	-	31,997,600	31,997,600
Dividends (Cash /Bonus shares)	983,611,170	-	-	-	(983,611,170)	-
Issue of Right Shares	-	-	-	-	-	-
Appropriation made during the year	-	421,726,217	-	-	421,726,217	-
Balance as on 31.12.2016	7,541,019,020	4,175,158,942	-	23,697,443	785,832,258	12,525,707,663
Balance as on 31.12.2015	6,557,407,850	3,753,432,725	-	16,389,640	1,010,618,744	11,337,848,959



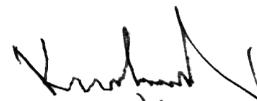
Managing Director



Director



Director



Chairman

See annexed auditors' report to the Shareholders of the date.



SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Liquidity Statement (Asset and Liability Maturity Analysis)

For the year ended 31 December, 2016

Particulars	Upto 01 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 Years	Total
Assets:						
Cash in hand	932,851,323	-	-	-	-	932,851,323
Balance with Bangladesh Bank	233,598,000	-	-	-	7,265,175,090	7,498,773,090
Balance with other banks and financial institutions	740,595,456	-	258,910,875	-	-	999,506,331
Money at call & on short notice	190,000,000	-	-	-	-	190,000,000
Investment	6,947,793,350		299,757,574	2,871,518,682	15,778,189,959	25,897,259,565
Loans and Advances	14,507,430,935	17,191,557,132	33,182,964,136	31,589,325,065	7,984,836,745	104,456,114,013
Fixed assets including premises, furniture and fixtures	-	-	-	-	3,491,354,112	3,491,354,112
Other assets	79,794,483	1,662,361,494	1,756,021,501	4,689,855,797	-	8,188,033,275
Non-banking assets	-	-	-	-	-	-
Total Assets	23,632,063,547	18,853,918,626	35,497,654,086	39,150,699,544	34,519,555,907	151,653,891,709
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	5,137,356,584	-	-	129,623,360	-	5,266,979,944
Deposits	11,697,620,608	17,202,539,385	34,436,306,502	33,552,790,502	25,635,682,105	122,524,939,102
Other Accounts		-	-	-	-	-
Provision and other liabilities	1,021,631,836	28,326,121	336,413,921	3,695,007,767	6,254,885,354	11,336,264,999
Total Liabilities	17,856,609,028	17,230,865,506	34,772,720,423	37,377,421,629	31,890,567,459	139,128,184,045
Net Liquidity Gap	5,775,454,518	1,623,053,120	724,933,663	1,773,277,915	2,628,988,448	12,525,707,664


Managing Director


Director


Director


Chairman

See annexed auditors' report to the Shareholders of the date.


SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited

Notes to the Financial Statements

For the year ended 31 December, 2016

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 112 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 customers through its branches & SME branches.

b) Islamic Banking:

The Bank operates Islamic banking in two branches designated for this purpose in complying with the rules of Islamic shariah. A separate balance sheet, income statement are presented as recommended by the Central Shariah Board for Islamic Banking in Bangladesh.

c) Off-Shore Banking Unit (OBU) :

The Bank obtained Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(110)/2010-839 dated March 11, 2010 and commenced operation on March 23, 2015. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank.

d) Mobile Financial Services 'Spot Cash' :

"With the view to bring the unbanked people to the banking facilities SBL started Mobile Banking Services under the title of 'Spot Cash' in 2014. The bank obtained the license from Bangladesh Bank for mobile banking business vide letter no. PSD/37(Q)/2013-1035 dated 3rd September, 2013."

1.1 1.1(a) Subsidiary Companies

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 are prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the requirements of the Banking Companies Act, 1991 (amendment upto 2013), the rules and regulations issued by Bangladesh Bank, the Companies Act ,1994. In case any requirement of the Banking Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRSs, the requirements of the Banking Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRSs are as follows:

i) Basis of Preparation for Financial Statements

BFRSs: As per BAS 1 Financial Statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of BAS 1, the entity shall also present current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of the Bank Companies Act, 1991 (amendment upto 2013) and BRPD Circular no. 14 dated 25 June , 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

Bank's Methodology: The Financial statements of the Bank are made upto 31 st December 2016 and are prepared under the historical cost convention and in accordance with the "First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange Listing Regulations and other laws and rules applicable in Bangladesh . In case of the requirement of Bangladesh Bank differs with those of BAS/BFRS ,the requirement of Bangladesh Bank have been applied".

ii) Investments in shares and Securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June ,2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

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

iv) Provision on Loans and Advances/Investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December, 2012 and BRPD Circular no. 16 dated 18 November 2014, a general provision @ 0.25% to 5% under different categories of unclassified loans (Standard/SMA loans) should be maintained regardless of objective evidence of impairment. And specific provision for sub-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. Such provision policies are not specifically in line with those prescribed by BAS 39.

v) **Recognition of interest in suspense**

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

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

vi) **Other comprehensive income**

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

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

vii) **Financial instruments - presentation and disclosure**

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

viii) **Financial guarantees**

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

ix) **Repo transactions**

BFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognized in the financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per BB circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognized in the sellers book and recognized in the buyer's book.

x) **Cash and cash equivalent**

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

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

xi) **Non-banking asset**

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

xii) **Cash flow statement**

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

Bangladesh Bank: As per BRPD 14, cash flow is the combination of direct and indirect methods.

Bank's Methodology: Cash Flow Statement is prepared in accordance with BAS-7 "Cash Flow Statement" under direct method as recommended in BRPD circular no. 14 dated 25 June, 2003 issued by Bangladesh Bank.

xiii) **Balance with Bangladesh Bank: (Cash Reserve Requirement)**

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

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

xiv) **Off-balance sheet items**

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

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc) must be disclosed separately on the face of the balance sheet.

Bank's Methodology:

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. BRPD circular No.14 dated 23 September, 2012 requires a general provision for Off Balance Sheet exposures to be calculated @ 1% which has been followed by the bank properly on the following Off Balance Sheet Items:

- a. Acceptance and endorsements
- b. Irrevocable letter of credit
- c. Letter of guarantee

xv) **Presentation of intangible asset**

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xvi) **Loans and advances/Investments net of provision**

BFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

Bank's Methodology: Loans and advances have been shown at gross amounts at 31 December 2016.

Disclosure of appropriation of profit

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

Bangladesh Bank: As per BRPD 14, dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit & Loss Account.

2.2**Basis of Consolidation :**

The consolidated financial statements include the financial statements of Standard Bank Limited, Islamic Banking Window, and its subsidiaries SBL Capital Management Ltd, Standard Bank Securities Ltd, Standard Exchange Company (UK) Ltd and Standard Co (USA) Inc. DBA : Standard Express made up to the end of the financial year. A Banking software system "Stelar" consolidated all transactions of branches as well as head office and produces consolidated Balance Sheet and Profit & Loss Account. These consolidated records are maintained at the Head office of the Bank based on which these financial statements have been prepared. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: consolidated and

separate financial statements. The consolidated financial statements have been prepared to a common reporting period ending in 31 December, 2016.

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 BAS 7 "Statement of Cash Flows" and under the guidance of Bangladesh Bank BRPD Circular No. 14 dated 25.06.2003 & BRPD Circular No. 15 dated 09.11.2009 whereby gross cash receipts and gross cash payments on Operating Activities, Investing Activities and Financing Activities have been recognized. Cash and Cash Equivalents comprise short term, highly liquid investments that are readily convertible and are subject to an insignificant risk to changes in value.

2.4 Reporting Period

These financial statements cover one calendar year from January 01 to December 31, 2016.

2.5 Statement of Changes in Equity

Statement of changes in Equity has been prepared in accordance with BAS 1 "Presentation of Financial Statements" and under the guidance of Bangladesh Bank BRPD Circular No. 14 dated 25.06.2003 & BRPD Circular No. 15 dated 09.11.2009

2.6 Statement of Liquidity

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

- a. Balance with other banks and financial institutions, money at call etc are on the basis of their maturity term.
- b. Investments are on the basis of their residual maturity.
- c. Loans and advances are on the basis of their repayment/maturity schedule.
- d. Fixed assets are on the basis of their useful lives.
- e. Other assets are on the basis of their realization /amortization.
- f. Borrowing from other banks, financial institutions and agents as per their maturity /repayment terms.
- g. Deposits and others accounts are on the basis of their maturity term and behavioral past trend.
- h. Others loan term liabilities are on the basis of their maturity term.
- i. Provisions and other liabilities are on the basis of their settlement.

2.7 Significant Judgement and Estimates

The preparation of Financial Statements in conformity with Accounting Standards and Statutory requirement which requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity or major areas where assumptions and estimates are significant to the Financial Statements are described in the following:

- 1 Income Taxes
- 2 Deferred Taxation
- 3 Depreciation
- 4 Provisions for investment & other Assets

2.8 **Going Concern**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the 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 money loan court. 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 basic earnings by the weighted average number of ordinary shares outstanding during the year.

2.12 **Retirement benefits to the employees**

Provident Fund

Provident Fund benefits are given to the employees of the bank in accordance with the locally registered Provident Fund Rules. Separate Board of Trustee of the Bank operates it.

Gratuity

The Bank operates an Employees Gratuity Fund Trust by a Board of Trustees consisting of seven members. All confirmed employees who have been in the service of the Bank should be 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 half year ended 31 December 2016 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 half year ended 30 June 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/and HTM) 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 accreted, 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 BAS 27 "Consolidated and Separate Financial Statements" and BFRS 3 "Business Combination". Impairment of investment in subsidiaries is made as per the provision of BAS 36 "Impairment of Assets".

iii) Loans, advances and provisions

Loans and advances are stated at gross amount. Specific provisions were made to adjust all impaired loans and advances with their expected realizable value as per instructions contained in Bangladesh Bank BCD Circular No. 34 of 16 November, 1989, BCD Circular No.20 of 27 December 1994, BCD Circular No. 12 of 4 September 1995, BRPD Circular No. 16 of 06 December 1998, BRPD Circular No.09 of 14 May 2001, BRPD Circular No. 02 of February 2005, BRPD Circular No. 09 of 20 August 2005, BRPD Circular No.17 of 06 December, 2005 and BRPD Circular No.14 of 23 September, 2012 respectively at the following rates:

Rate of provision:

Particulars	Short term Agri-credit	Consumer Financing			SMEF	Loan to BHs/ MBs/SDs	All other credit	
		Other than HF	HF	LP				
Unclassified	Standard	2.50%	5%	2%	2%	0.25%	2%	1%
	SMA	0%	5%	2%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%	100%

iv) Fixed assets and depreciation

Fixed Assets: Fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment" and depreciation thereon charged to Operating Expenses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably:

- Fixed assets are stated at cost less Accumulated Depreciation.
- Depreciation has been charged at the following rates on reducing balance from the date of acquisition with the exception of Motor Vehicle on which straight line method is applied.

Name of the Assets	Rate of Depreciation
Building	2.50%
Furniture & Fixtures	10.00%
Office Appliances	20.00%
Vehicles	20.00%

v) Intangible Assets

- 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.
- Software represent the value of computer application software licensed for use of the bank, other than software applied to the to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses.
- Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are in customizing the software for its intended use.
- 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.
- 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 2016.

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.

ix) Leased assets

Where property, plant and equipment have been financed by lease arrangement under which substantially all the risks and rewards of ownership are transferred to the lessees are treated as finance leases as per BAS 17 "Leases". All other leases are classified as operating leases as per BAS 17 "Leases". Assets held under finance lease are recognised as assets of the Bank at their fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets.

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 shortterm deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

iii) Other liabilities

Other liabilities comprise items such as provision for loans and advances/ investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and Bangladesh Financial Reporting Standards (BFRS).

iv) Dividend payments

Interim dividend is recognized when it is paid to shareholders. Final dividend is recognized when it is approved by the shareholders in AGM. The proposed dividend for the year 2016, therefore, has not been recognized as a liability in the balance sheet in accordance with BAS 10 'Events after the Reporting Period'. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

v) Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December, 2012 and BRPD Circular no.16 dated 18 November ,2014. Details are stated in Note 13.

vi) Provision for investment in capital market

For recognition of loss suffered from investment in capital market, provision has been made on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November ,2011 on portfolio basis.

vii) Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD Circular no. 14 dated 23 September, 2012 and related earlier circulars, the Bank has been maintaining provision @ 1% against off-balance sheet exposures.

viii) Provision for other assets

Provision for other assets is made as per the guidelines mentioned in the BRPD Circular No. 14 dated 25 June,2001 i.e.100% provision is required on other assets which are outstanding for one year or more.

ix) Provision for liabilities and accrued expenses

In compliance with BAS 37, provisions for other liabilities and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

x) Provision for Taxation

The company is a publicly traded company as per the Income Tax Ordinance 1984. Provision for Current Income Tax has been made at the existing rate of 40% as prescribed in Finance Act 2016 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 BAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. However, disclosure on contingent have been made on the face of balance sheet under 'Off-balance Sheet Items' as per guidelines of BRPD Circular No. 14 dated 25 June, 2003.

C Share capital and reserves**i) Authorized and issued capital**

The authorized capital of the bank is the maximum amount of share capital that the bank is authorized by its Memorandum and Articles of Association to issue (allocate) among shareholders. Part of the authorized capital can (and frequently does) remain unissued. This number can be changed by shareholders' approval upon 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 asset 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 BAS 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 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 @ 40% considering major disallowances of expenses and concessional rates on certain incomes (0% on gain on trading of govt. securities, 10% on capital gain (net off loss) of shares traded in secondary market and 20% on dividend income) as per Income Tax Ordinance (ITO), 1984. Tax provision of the Group entities has been made on taxable income of subsidiaries at different rates applicable as per the ITO, 1984 and the tax authority of the country where it is incorporated.

b. Deferred tax

Deferred tax is calculated on taxable/deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by Bangladesh Accounting Standard (BAS) 12 'Income Taxes' and BRPD Circular no.11 dated 12 December, 2011.

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 BAS 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 BAS 33 'Earnings Per Share' which has been shown on the face of Profit and Loss Account. Earnings 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 39 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 2016.

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 BAS 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.

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 BAS 1D Events after the Reporting Period. The only material event after the balance sheet date is: the Board of Directors recommended stock dividend 5% and Cash dividend 5% for the year 2016 in its meeting no. 270th held on 22 March, 2017.

2.2 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.

2.15 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.

2.15.1 Internal Control & Compliance Risk

Effective internal controls are the foundation of safe and sound banking. A properly designed and consistently enforced system of operational and financial internal control helps a bank's management safeguard the bank's resources, produce reliable financial reports and comply with laws and regulations. Effective internal control also reduces the possibility of significant errors and irregularities and assists in their timely detection when they do occur.

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 2016 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 104 (one hundred four) branches & 12 (twelve) Divisions of Head Office as on 31.12.2016. ICT Audit has been conducted on 45 (forty five) branches and 03 (three) Divisions of Head Office as on 31.12.2016. 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 50 (fifty) different inspections in the year 2016 on various branches and Departments of Head Office. Details are as under:

Nature of Inspection	Head Office/Division	Branches
Special Inspection on Core Risk	5	0
Comprehensive	1	37
Foreign Exchange Transaction	0	2
Special Inspection	0	0
Surprise Inspection	0	5

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

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

2.15.2 Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. The Bank maintains various nostro accounts in order to conduct operations in different currencies including BDT. The senior management of the Bank set limits for handling nostro account transactions. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.

2.15.3 Asset Liability Risk

Asset Liability Management (ALM) is a key financial and risk management discipline. As one of the core risk areas identified by the Bangladesh Bank, ALM requires senior management responsibility in order to control both inherent and acquired risks in the balance sheet and in day-to-day operations.

For better management of asset and liability risk, the Bank has an established Assets Liability Committee (ALCO) which meets at least once a month. The members of ALCO as at 31 December 2016 were as follows:

Mr. Md. Mamun-Ur-Rashid	Managing Director & CEO		Chairman
Mr. Md. Motaleb Hossain	DMD & Chief Risk Officer (CRO)		Member
Mr. AMM Laskar	SEVP	Head of Credit-1	Member
Mr. Haradhan Chnadra Das	EVP	Head of Credit-2	Member
Mr. Muhammad Sakhawatur Rahman	EVP	Head of BMOD	Member
Mr. Syed Anisur Rahman	SVP	Head of ID	Member
Mr. Md. Zahangir Alam	VP	Head of FAD	Member
Mr. Md. Ali Reza	VP	CFO & Head of RMD	Member
Mr. Md. Farhad Hussain	SAVP	Head of IBW	Member
Mr. Md. Abdul Mannan	SAVP	Head of SME	Member
Mr. Shah Rahat Uddin Ahmed	SAVP	Head of Treasury	Member

The ALCO's primary function is to formulate policies and guidelines for the strategic management of the bank using pertinent information that has been provided through the ALCO process together with knowledge of the individual businesses managed by members of the committee. ALCO regularly reviews the Bank's overall asset and liability position, forward looking asset and liability pipeline, overall economic position, the Banks' liquidity position, capital adequacy, balance sheet risk, interest risk and makes necessary changes in its mix as and when required.

The Bank has a specified liquidity and funding ratio to maintain to ensure financial flexibility to cope with unexpected future cash demands. ALCO monitors the liquidity and funding ratio on an ongoing basis and ascertains liquidity requirements under various stress situations. In order to ensure liquidity against all commitments, the Bank reviews the behaviour patterns of liquidity requirements. The Bank has an approved Liquidity Contingency Plan (LCP) which is reviewed and updated on an annual basis by the ALCO. All regulatory requirements including CRR, SLR and RWA are reviewed by ALCO.

2.15.4 Credit Risk

Credit risk is a form of performance risk in a contractual relationship. In any contractual situation, performance risk refers to the possibility that one party in the contract will not honor its obligations to the other. Credit risk is usually defined as the performance risk associated with a financial contract (e.g. a loan, bond, or derivative contract). Hence, the potential failure of a manufacturer to honor a warranty might be called performance risk, whereas the potential failure of a borrower to make good on its payment requirements—which include both the repayment of the amount borrowed, the principal, and the contractual interest payments, would be called credit risk. A borrower or an obligor is defined as any party to a contract that has to perform a financial obligation to the other.

Indeed, the basic concepts for measuring credit risk—probability of default, recovery rate, exposure at default, expected loss, loss given default, and unexpected loss—are easy enough to understand and explain. However, even for those involved in risk management who agree on the concepts, it is not always easy to practically implement a method that is fully consistent with an original concept.

Therefore, the Bank's credit risk management activities have been designed to address all these issues.

A thorough risk assessment is done before sanction of any credit facility at risk management units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the branch level and ends at Credit Risk Management division when it is approved /declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposal beyond their delegation are approved/declined by the Executive Committee and/or the Board of Directors of the Bank.

In determining Single borrower/Large loan limit, the instructions of Bangladesh Bank BRPD circular no.-02, dated January 16, 2014 is strictly followed. Internal audit is conducted at yearly intervals to ensure compliance of Banks and Regulatory policies. Loans are classified as per Bangladesh Bank's BRPD circular no. - 14, dated September 23, 2012 & amendment BRPD circular no.- 19 & 05 dated December 27, 2012 & May 29, 2013 respectively.

2.15.5 Information & Communication Technology Risk

The Bank'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.

2.15.6 Money Laundering Risk:

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office and Branch Anti Money Laundering (BAMLCO) Compliance Officers, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and Transaction profile has been introduced. Training is continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities/ transactions.

Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for opening of new accounts. Training is being provided continuously to all the categories of executives and officers for developing awareness and skill for identifying suspicious activities.

2.15.7 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 & Basic 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

2.15.8 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 2016 & special inspection on four core risk (ALM, CRM, ICCD & ICT) based on 30-06-2016 by DBI & two core risk (AML & Foreign Exchange Risk) by BFIU & Foreign Exchange Inspection department during 2016 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.

EnvAll branches are advised to calculate & assess the EvnRR of a credit proposal (if applicable) and go through the Environmental Risk Management

2.16 Regulatory and legal compliance

The bank complied with the requirements of the following laws & regulation:

- a) The Bank Companies Act 1991
- b) The Companies Act 1994
- c) Income Tax Laws
- d) The Value Added Tax Laws
- e) Bangladesh Securities and Exchanges Rules 1987, Bangladesh Securities and Exchanges Ordinance 1969, Bangladesh Securities and Exchanges Act 1993.
- f) Rules, Regulations and Circulars issued by the Bangladesh Bank and other regulatory authorities.

2.17 Compliance of Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs)

The bank has complied the following BASs & BFRSs as adopted by ICAB during the preparation of financial statements as at and for the half year ended 31 December 2016.

Name of BASs /BFRSs	BASs/BFRSs	No.	Status
Presentation of Financial Statements	BAS	1	Applied
Inventories	BAS	2	N/A
Cash Flows Statements	BAS	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS	8	Applied
Events after the Reporting Period	BAS	10	Applied
Construction Contracts	BAS	11	N/A
Income Taxes	BAS	12	Applied
Property, Plant and Equipments	BAS	16	Applied
Leases	BAS	17	Applied
Revenue	BAS	18	Applied
Employee Benefits	BAS	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS	20	N/A
The Effect of Changes in Foreign Exchange Rates	BAS	21	Applied
Borrowing Costs	BAS	23	N/A
Related Party Disclosures	BAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS	26	N/A
Consolidated and Separate Financial Statements	BAS	27	Applied
Investments in Associates	BAS	28	N/A
Interests in Joint Ventures	BAS	31	N/A
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 BASs /BFRSs	BASs/BFRSs	No.	Status
Agriculture	BAS	41	N/A
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS	1	N/A
Share-based Payment	BFRS	2	N/A
Business Combinations	BFRS	3	Applied
Insurance Contracts	BFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	BFRS	5	Applied
Exploration for and Evaluation of Mineral Resources	BFRS	6	N/A
Financial Instruments: Disclosures	BFRS	7	Applied
Operating Segments	BFRS	8	Applied
Consolidated Financial Statements	BFRS	10	Applied
Joint Arrangements	BFRS	11	N/A
Disclosure of Interests in Other Entities	BFRS	12	Applied
Fair Value Measurement	BFRS	13	Applied

2.18 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 with 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.
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.

2.19 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 2016. 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 meeting held on March 22, 2017.

2.20 Changes in accounting policies

As per BAS 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.

Standard Bank Limited

Notes to the Financial Statements

For the year ended 31 December, 2016

		Amount in Taka	
		31.12.2016	31.12.2015
3. CASH			
3.1 Cash in hand			
In local Currency		917,444,433	787,637,226
In Foreign Currency		15,406,890	26,779,962
	Total	932,851,323	814,417,188
3.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)			
In local Currency		7,075,744,579	6,054,117,649
In Foreign Currency		274,206,615	240,770,207
		7,349,951,194	6,294,887,856
Sonali Bank as agent of Bangladesh Bank Local currency		148,821,896	87,339,115
		7,498,773,090	6,382,226,971
	Total	8,431,624,413	7,196,644,159
3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)			
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991(amendment upto 2013) , DOS circular No.01 dated January 19,2014 and MPD circular No. 02 dated December 10, 2013 and MPD circular No.01 dated June 23,2014.			
The Cash Reserve Ratio on the Bank's time and demand liabilities at the rate of 6.50% on bi-weekly basis and minimum 6% on daily basis has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, on the same liabilities has also been maintained in the form of Treasury Bills, Treasury Bonds, Bangladesh Bank Bills, Cash in hand,Balance with Sonali Bank and FC balance with Bangladesh Bank. Both the reverses 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		6,845,506,000	6,085,131,000
Actual Reserve maintained (as per Bangladesh Bank Statement)		7,079,104,000	6,117,359,000
Surplus/(Deficit)		233,598,000	32,228,000
ii) Cash Reserve Ratio (CRR) for Islamic Banking			
(6.5% of Average Demand and Time Liabilities)			
Required Reserve		19,866,700	18,640,510
Actual Reserve maintained (as per Bangladesh Bank Statement)		20,479,938	19,538,963
Surplus/(Deficit)		613,238	898,453
iii) Statutory Liquidity Ratio (SLR) for Conventional Banking			
(13% of Average Demand and Time Liabilities)			
Required Reserve		13,691,011,000	12,170,262,000
Actual Reserve maintained		23,704,412,183	17,170,640,481
Surplus/(Deficit)		10,012,723,980	5,000,378,481
iv) Statutory Liquidity Ratio (SLR) for Islamic Banking			
(5.5% of Average Demand and Time Liabilities)			
Required Reserve		16,810,280	15,772,740
Actual Reserve maintained		18,290,441	17,534,708
Surplus/(Deficit)		1,480,161	1,761,968
3.4 Held for Statutory Liquidity Ratio			
Cash in hand		932,851,323	813,780,932
Balance with Sonali Bank		148,821,896	85,733,000
Bangladesh Bank Bills		6,943,733,950	1,747,982,332
Government Treasury Bills		1,089,656,774	2,763,876,812
Government Treasury Bonds		14,589,348,240	11,759,267,405
		23,704,412,183	17,170,640,481

	Amount in Taka	
	31.12.2016	31.12.2015
3(a) Consolidated cash		
i. Cash in hand		
Standard Bank Limited (note-3.1)	932,851,323	814,417,188
Standard Exchange Co.(UK) Ltd.	4,684,453	-
Standard Express(USA) Ltd.	27,278,023	15,824,202
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	964,813,799	830,241,390
ii. Balance with Bangladesh Bank and its agent bank(s)		
Standard Bank Limited (note-3.2)	7,498,773,090	6,382,226,971
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	7,498,773,090	6,382,226,971
	8,463,586,889	7,212,468,361
4. Balance with other Banks and financial institutions		
In Bangladesh (note 4.1)	385,359,986	1,612,111,555
Outside Bangladesh (note 4.2)	614,146,345	288,471,256
	999,506,331	1,900,582,811
4.1 In Bangladesh		
Current Deposits		
Short Term Deposit (STD)		
Basic Bank Limited	125,918	119,615
Southeast Bank Limited	-	762
Islami Bank bd Limited	1,016,480	14,213
Sonali Bank Limited	12,249,996	-
National Bank Limited	-	4,557
Agrani Bank Limited	119,048	122,247
Janata Bank Limited	9,073,552	7,576,841
The City Bank Limited	78,387	78,387
Eastern Bank Limited	3,412	4,443
Dutch Bangla Bank	9,471,991	4,471,991
Trust Bank Ltd.	2,243,107	919,329
Standard Chartered Bank	5,491,036	4,922,987
BRAC Bank Ltd.	21,576,184	21,576,183
	61,449,111	39,811,555
Savings Deposit		
Fixed Deposits		
Hajj Finance Company Ltd.	258,910,875	273,700,000
Premier Leasing And Finance Ltd.	-	100,000,000
Dhaka Bank Ltd.	-	600,000,000
IIDFC (FDR)	50,000,000	-
Midland Bank Ltd.	-	400,000,000
Int'l Leasing Ltd.	-	100,000,000
Islamic Finance & Investment Ltd.	15,000,000	98,600,000
	323,910,875	1,572,300,000
	385,359,986	1,612,111,555

	Amount in Taka	
	31.12.2016	31.12.2015
4.2 Outside Bangladesh		
In Current account		
Interest Bearing		
Standard Chartered Bank, New York	58,278,677	94,463,392
Mashreq Bank Psc, New York	102,669,775	22,036,291
HSBC Bank, New York	-	-
UTI Kolkota, ACU	3,940,843	840
ICICI Bank Ltd., Mumbai, India	30,394,761	1,779,948
A.B. Bank LTD. MUMBAI	3,497,934	3,871,629
Non Interest Bearing	-	-
HSBC, Mumbai, India	-	-
AXIS Bank Limited, Mumbai, India	-	-
Standard Chartered Bank Ltd., Mumbai, India	57,227,026	21,404,937
Standard Chartered Bank Ltd., Frankfurt	439,969	6,585,982
Standard Chartered Bank Ltd., Tokyo	3,576,219	2,321,706
ICICI Bank Ltd., Hongkong	58,836,169	2,043,314
Nepal Bangladesh Bank Ltd, Kathmundu	2,654,488	6,778,585
HSBC Bank, Karachi, Pakistan	-	-
Bhutan National Bank, Bhutan	75,703	1,542,580
Commerz Bank, Frankfurt	6,182,428	1,846,931
Habib American Bank Ltd. New York	201,713,103	74,112,034
Habib Metropolitan Bank Ltd. Karachi, Pakistan	11,148,006	12,798,134
Mashreq Bank, London	24,415,754	13,033,290
Bank Aljarja Ksa	3,161,430	1,041,618
HSBC Bank Plc, London, UK	-	-
HSBC Bank Australia Ltd, Sydney, Australia	-	-
Westpac Banking Corporation Sydney, AU	1,809,620	2,691,247
Saudi Hollandi Bank KSA	3,161,156	3,124,852
Sonali Bank (UK) Ltd	33,611,184	9,641,849
Total Nostro Accounts	606,794,245	281,119,156
FDR		
Standard Chartered Bank Ltd., Mumbai, India	7,352,100	7,352,100
Total Outside Bangladesh	614,146,345	288,471,256
Total	999,506,331	1,900,582,811
(Annexure-A may kindly be seen for details)		
4.3 Maturity grouping of balance with other banks and financial institutions		
Payable on demand	-	-
Up to 1 month	740,595,456	1,526,882,811
Over 1 month but not more than 3 months	-	100,000,000
Over 3 months but not more than 1 year	258,910,875	273,700,000
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	999,506,331	1,900,582,811
4.4 Net Balance with other banks and financial institutions		
Balance with other banks and financial institutions(note-4)	999,506,331	1,900,582,811
Add: Lending to other banks and financial institutions(note-05)	190,000,000	1,070,000,000
Less: Borrowing from other banks and financial institutions(note-10)	5,266,979,944	3,115,837,033
	(4,077,473,613)	(145,254,221)

	Amount in Taka	
	31.12.2016	31.12.2015
4.5 Consolidated Net Balance with other banks and financial institutions		
Balance with other banks and financial institutions(note-4b)	(4,077,473,613)	(145,254,221)
Less: Borrowing from other banks and financial institutions	-	-
	(4,077,473,613)	(145,254,221)
4(a) Consolidated Balance with other banks and financial institutions In Bangladesh		
Standard Bank Limited (note-4.1)	385,359,986	1,612,111,555
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	20,543,610	41,665,017
SBL Securities Ltd.	150,625,168	258,826,392
	556,528,764	1,912,602,964
Outside Bangladesh		
Standard Bank Limited (note-4.2)	614,146,345	288,471,256
Standard Exchange Co.(UK) Ltd.	2,003,257	9,670,665
Standard Express(USA) Ltd.	60,303,250	67,606,615
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	676,452,852	365,748,537
	1,232,981,616	2,278,351,501
5. Money at Call and Short Notice Banking Company		
Farmers Bank Ltd	-	-
	-	-
Non-Banking Financial Institutions		
Phoenix Finance	40,000,000	-
Fareast Finance	-	150,000,000
MIDAS	40,000,000	160,000,000
IIDFC	-	150,000,000
Intl.Leasing	-	100,000,000
Prime Finance	30,000,000	150,000,000
GSP Finance	-	40,000,000
First Finance	-	130,000,000
Premier Leasing	80,000,000	90,000,000
BFIC	-	100,000,000
	190,000,000	1,070,000,000
Total	190,000,000	1,070,000,000
5.1 Maturity grouping of Money at Call and Placements:		
Payable on demand	190,000,000	1,070,000,000
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	-	-
	190,000,000	1,070,000,000
6. Investments		
Government securities (note -6.a)	15,700,064,414	14,541,005,217
Others Investment (note -6.b)	10,197,195,151	5,045,329,523
	25,897,259,565	19,586,334,740

	Amount in Taka	
	31.12.2016	31.12.2015
a) Government securities		
Treasury Bill		
91 days Treasury Bills	-	-
182 days Treasury Bills	299,757,574	120,817,008
364 days Treasury Bills	789,899,200	2,643,059,773
Total Treasury Bill	1,089,656,774	2,763,876,781
Government Bond		
2 years Government bonds	2,064,619,482	3,123,726,383
5 years Government bonds	3,795,259,561	2,817,511,814
10 years Government bonds	3,681,600,638	2,838,629,837
15 years Government bonds	1,867,158,953	1,421,035,691
20 years Government bonds	3,180,709,606	1,558,363,711
Total Government Bond	14,589,348,240	11,759,267,436
Prize bonds	4,059,400	1,861,000
Total Prize bonds	4,059,400	1,861,000
Government Islamic Bond		
1 years bonds	17,000,000	5,000,000
2 years bonds	-	11,000,000
Total Government Islamic Bond	17,000,000	16,000,000
Total Government Securities	15,700,064,414	14,541,005,217
b) Other Investments (note -6.3)		
Quoted Shares	168,109,226	150,000,000
Unquoted Shares	2,602,539,229	2,608,040,719
Preference share	203,333,334	168,707,058
Subordinated Bonds	279,479,412	370,599,412
Bangladesh Bank Bill	6,943,733,950	1,747,982,333
Total Others Investment	10,197,195,151	5,045,329,523
6.1 Government Securities classified as per Bangladesh Bank Circular:		
Held for trading (HFT)	2,820,671,608	3,163,322,844
Held to maturity (HTM)	12,858,393,133	11,375,821,373
Other Securities(Prize Bond)	4,059,400	1,861,000
	15,683,124,141	14,541,005,217
6.2 Maturity grouping of Investments :		
On demand	6,947,793,350	1,749,843,333
Up to 1 month	-	-
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 year	299,757,574	120,817,008
Over 1 year but not more than 5 years	2,871,518,682	5,782,786,156
Over 5 years	15,778,189,959	11,932,888,243
	25,897,259,565	19,586,334,740
6.3 Other Investments :		
a) Quoted Shares		
First Bangladesh Fixed Income Fund	150,000,000	150,000,000
Bangladesh Steel Re-Rolling Mills Ltd	18,000,000	-
The ACME Laboratories Ltd.	109,226	-
Total Quoted Shares	168,109,226	150,000,000

	Amount in Taka	
	31.12.2016	31.12.2015
b) Unquoted Shares		
Central Depository Bangladesh Limited (CDBL)	156,548,164	156,548,164
Market Stabilization Fund	5,000,000	5,000,000
SWIFT	3,003,185	3,003,185
Standard Exchange Co.(UK) Ltd.	28,472,880	34,394,370
Standard Express(USA) Ltd.	109,620,000	109,200,000
SBL Capital Mgt. Ltd.	1,499,950,000	1,499,950,000
SBL Securities Ltd.	799,945,000	799,945,000
Total Unquoted Shares	2,602,539,229	2,608,040,719
c) Preference share		
Preference Share Of Star Ceramics Ltd.	70,000,000	11,131,300
Raj Lanka Power Company Ltd	133,333,334	157,575,758
Total Preference share	203,333,334	168,707,058
d) Subordinated Bond		
Dhaka Bank Ltd	20,000,000	35,000,000
Trust Bank Ltd.	40,000,000	60,000,000
National Bank Ltd .	20,480,000	25,600,000
Zero Coupon Bond	99,999,412	99,999,412
BSRM Ltd.	99,000,000	150,000,000
Total Subordinated Bond	279,479,412	370,599,412
e) Bangladesh Bank Bill		
7 days Treasury Bills	1,199,767,500	1,747,982,333
14 days Treasury Bills	1,399,437,400	-
30 days Treasury Bills	4,344,529,050	-
Total Bangladesh Bank Bill	6,943,733,950	1,747,982,333
Total Other Investments	10,197,195,151	5,045,329,523
(Annexure-E may kindly be seen for details)		
6(a) Consolidated Investments		
Government		
Standard Bank Limited (note-6)	15,700,064,414	14,541,005,217
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	15,700,064,414	14,541,005,217
Others		
Standard Bank Limited (note-6)	10,197,195,151	5,045,329,523
Standard Bank Limited (Share Capital to SCML)	(1,499,950,000)	(1,499,950,000)
Standard Exchange Co.(UK) Ltd.	(28,472,880)	(34,394,370)
Standard Express(USA) Ltd.	(109,620,000)	(109,200,000)
SBL Capital Mgt. Ltd.	1,803,227,622	1,760,723,528
SBL Securities Ltd.	270,168,999	205,064,459
SBL Securities Ltd. (Share Capital to SSL)	(799,945,000)	(799,945,000)
	9,832,603,892	4,567,628,140
	25,532,668,306	19,108,633,357

	Amount in Taka	
	31.12.2016	31.12.2015
7. Loan and advances/Investments		
As per classification into the following broad categories:		
i) Loans, cash credits, overdrafts, etc		
Inside Bangladesh		
Secured overdraft/Quard against TDR	17,540,975,208	17,548,254,979
Term Loan	26,870,966,155	25,662,421,650
Export Development Fund (EDF)	2,868,406,400	1,235,363,050
Agriculture Loan	4,363,969,206	3,138,966,407
Cash credit/ Murabaha	15,017,258,549	12,991,419,521
House Building loans	2,544,391,131	2,208,007,743
Transport Loans	906,182,879	909,017,775
Loans against trust receipt	7,058,001,274	8,361,245,409
Payment against document	1,586,756,507	1,411,292,740
Packing credit	272,113,671	222,255,321
Demand Loan	8,284,285,098	3,409,692,280
Lease Finance / Izara	1,183,568,988	954,190,014
Syndicate/Club Finance	3,209,997,432	2,943,028,338
VISA Credit Card	215,982,188	177,896,773
SME/SE	9,871,406,429	7,886,646,306
Green Finance	14,478,764	11,976,022
Consumer Credit Scheme/Hire purchase	300,178,434	256,980,758
	102,108,918,313	89,328,655,084
Outside Bangladesh	-	-
	102,108,918,313	89,328,655,084
ii) Bills purchased and discounted		
Payable inside Bangladesh		
Inland bills purchased	932,093,595	1,377,773,279
Payable outside Bangladesh		
Foreign bills purchased and discounted	1,415,102,105	137,793,070
	2,347,195,700	1,515,566,349
	104,456,114,013	90,844,221,432
Total	104,456,114,013	90,844,221,432
7.1 Net loans and advances/Investments		
Loans and advances/Investments(note-7)	104,456,114,013	90,844,221,432
Less:		
Non-performing loans and advances/Investments(note-7.9)	3,798,964,355	2,958,782,375
Interest suspense (note-12.4)	236,548,859	251,682,207
Provision for loans and advances/Investments(note-12.2)	2,920,440,399	2,476,258,143
	6,955,953,613	5,686,722,725
	97,500,160,400	85,157,498,707
7.2 Residual maturity grouping of loans and advances/Investments including bills purchased and discounted		
Repayable on demand	-	-
Up to 1 month	14,507,430,935	14,653,666,211
Over 1 month but not more than 3 months	17,191,557,132	15,147,933,932
Over 3 months but not more than 1 year	33,182,964,136	30,050,441,525
Over 1 year but not more than 5 years	31,589,325,065	23,230,159,248
Over 5 years	7,984,836,745	7,762,020,516
	104,456,114,013	90,844,221,432

	Amount in Taka	
	31.12.2016	31.12.2015
7.3 Loans and advances/Investments under the following broad categories :		
Loans	81,699,536,705	70,545,037,055
Cash Credit	2,868,406,400	1,235,363,050
Overdraft	17,540,975,208	17,548,254,979
	102,108,918,313	89,328,655,084
Bills purchased and discounted	2,347,195,700	1,515,566,349
	104,456,114,013	90,844,221,432
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)	246,000,400	265,471,520
b) Loans and advances/Investments to Chief Executive and other senior executives (including staff)	622,694,363	586,993,673
c) Loans and advances/Investments to customers group :		
i) Commercial lending	3,840,500,000	3,145,100,000
ii) Export financing	5,266,000,000	2,697,700,000
iii) House building loan	2,315,148,563	1,977,900,000
iv) Consumers Credit Scheme	271,733,632	226,395,558
v) Small and medium enterprises	9,871,406,429	7,886,646,306
vi) Special program loan	126,400,000	141,400,000
vii) Other Loans and advances/Investments	23,481,528,559	25,351,732,000
	45,172,717,184	41,426,873,863
d) Industrial Loans/Investments		
i) Agricultural Industries	4,363,967,705	2,879,632,376
ii) Textile Industries	22,218,500,000	18,290,500,000
iii) Food and allied Industries	2,225,300,000	1,088,500,000
iv) Pharmaceuticals Industries	161,500,000	227,900,000
v) Leather, Chemical and Cosmetics etc	286,400,000	342,100,000
vi) Cement and Ceramic Industries	2,292,600,000	2,254,850,000
vii) Service Industries	14,411,300,000	11,624,400,000
viii) Transport and Communication Industries	4,532,600,000	4,211,600,000
ix) Other Industries	7,922,534,361	7,645,400,000
	58,414,702,066	48,564,882,376
Total Loans and advances/Investments	104,456,114,013	90,844,221,432
7.5 Geographical Location-wise Loans and advances/Investments:		
Urban:		
Dhaka Division	66,855,992,355	58,284,987,188
Chittagong Division	22,723,377,959	21,156,177,174
Khulna Division	4,149,380,025	3,680,184,034
Barishal Division	398,074,372	351,416,529
Rajshahi Division	1,503,717,534	1,503,330,272
Rangpur Division	2,953,488,962	1,525,965,910
Sylhet Division	448,677,112	405,735,528
	99,032,708,319	86,907,796,635

	Amount in Taka	
	31.12.2016	31.12.2015
Rural :		
Dhaka Division	3,751,917,734	2,575,404,694
Chittagong Division	708,875,271	610,330,911
Khulna Division	175,073,723	200,246,642
Barishal Division	-	-
Rajshahi Division	209,746,579	183,459,788
Rangpur Division	385,793,727	211,065,606
Sylhet Division	191,998,661	155,917,155
	5,423,405,695	3,936,424,796
Outside Bangladesh	-	-
Total	104,456,114,013	90,844,221,432

7.6 Details of pledged collaterals

Agriculture and SME	10,543,000,000	9,721,300,000
Manufacturing/Production	36,424,400,000	31,829,600,000
Real Estate	12,095,300,000	10,577,900,000
Capital Market and Non-Bank Financial Institutions	4,152,400,000	3,745,000,000
Service	12,970,400,000	10,375,100,000
Others	12,270,200,000	10,680,000,000
	88,455,700,000	76,928,900,000

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 1372.55 crore as at 31 December, 2016 (Taka 1,410.97 Crore in 2015)

Number of Clients	15	21
Amount of outstanding advances/Investments /Investments	3,345.51 Crore	3,469.15 Crore
Amount of classified advances/Investments/Investments	-	-
Measures taken for recovery	Not applicable	Not applicable

Name of Clients	Outstanding as on 31.12.2016		Total Amount (in crore)	
	Funded	Non-Funded	2016	2015
Sinha Group	194.94	110.55	305.49	376.75
Saad Musa Group	197.32	66.39	263.71	254.80
PRAN-RFL Group	209.90	2.40	212.30	201.59
Paradise Group	208.63	21.02	229.65	199.83
Bashundhara Group	186.52	73.80	260.32	-
Chaity Group	202.99	208.56	411.55	192.53
Navana Group	101.42	58.70	160.12	183.55
Rangs Group	151.76	10.39	162.15	175.28
Abdul Monem Group	126.31	61.28	187.59	173.28
Everway Yarn Dyeing Industires Ltd.	-	-	-	148.32
Partex Group	-	-	-	146.05
Zara Composite Textile Ltd.	-	-	-	142.74
Ocean Paradise	152.74	0.05	152.79	142.70
Nasir Group	-	-	-	137.60
STC Group	-	-	-	131.67
Armana Group	5.49	209.26	214.75	131.28
Union Group	-	-	-	130.57
Anwar Group	117.80	34.18	151.98	-
Modern Group	208.40	0.50	208.90	-
Aman Group	-	-	-	128.21
Abul Khair Group	149.89	56.38	206.27	126.59
Noman Group	159.11	58.83	217.94	116.92
7B Associates	-	-	-	116.45
NZ Group	-	-	-	112.44
Total	2,373.22	972.29	3,345.51	3,469.15

7.8 Particulars of loans and advances/Investments

	Amount in Taka	
	31.12.2016	31.12.2015
i) Loans/Investments considered good in respect of which the Bank is fully secured	90,720,139,539	78,897,047,365
ii) Loans/Investments considered good against which the bank holds no security other than the debtors' personal guarantee	6,810,536,393	5,921,369,707
iii) Loans/Investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	6,925,438,081	6,025,804,360
iv) Loans/Investments adversely classified; provision not maintained there against	-	-
	104,456,114,013	90,844,221,432
v) Loans/Investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	868,698,363	852,465,193
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	333,099,210	265,471,520
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.	902,371,732	854,645,145
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	283,730,000	305,898,119
ix) Due from banking companies	-	-
x) Total amount of Classified advances/Investments on which interest is not credited to income	3,798,964,355	2,958,782,375
a) Movement of Classified Loans and advances/Investments		
Opening Balance	2,958,782,375	2,852,619,914
Increase/(decrease) during the year	840,181,980	106,162,461
	3,798,964,355	2,958,782,375
b) Provision kept against loan classified as bad debts (note-7.10)	1,894,369,740	1,576,604,262
c) Interest credited to interest suspense Account (note-12.4)	236,548,859	251,682,207
xi) Cumulative amount of written off loans/Investments		
Opening Balance	2,694,268,331	2,266,180,396
Amount written off during the year	413,482,150	428,087,935
	3,107,750,481	2,694,268,331
Amount realized against loan/Investments previously written off	5,377,000	5,377,000
The amount of written off / classified loans/Investments for which law suits have been filed	7,662,637,000	6,729,395,821

7.09 Classification of loans and advances/Investments**Unclassified:**

Standard including staff loans/Investments
Special Mention Account (SMA)

Classified:

Sub standard
Doubtful
Bad/Loss

Amount in Taka	
31.12.2016	31.12.2015
100,657,149,658	87,885,439,057
100,217,512,787	87,556,047,054
439,636,871	329,392,003
3,798,964,355	2,958,782,375
56,136,066	31,476,178
43,324,451	59,781,784
3,699,503,838	2,867,524,413
104,456,114,013	90,844,221,432

7.10 Particulars of required provision for loan and advances/Investments

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)	83,120,691,903	83,120,691,903	1% to 5%
Small and Medium Enterprise financing	9,360,139,867	9,360,139,867	0.25%
Loan to BH/MB/SD agst shares	216,646,548	216,646,548	5.00%
Consumer Financing, House Finance	1,884,728,581	1,884,728,581	2.00%
Agriculture Finance	3,587,156,727	3,587,156,727	2.50%
Staff loan	607,211,645	607,211,645	0.00%
Special Mentioned Account	439,636,871	439,574,259	.25% to 5%
Classified-specific provision			
Sub Standard	56,136,066	19,934,507	5% to 20%
Doubtful	43,324,451	11,739,325	5% to 50%
Bad/Loss	3,699,503,838	1,885,162,917	100.00%
Required provision for loans and advances/Investments			
Total Provision maintained (note-12.2)			
Excess/(Short) provision at 31 December			

831,206,919	731,473,561
23,400,350	18,780,908
10,832,327	10,109,034
37,694,572	38,239,476
28,818,750	28,613,498
89,678,918	69,194,074
-	-
4,438,822	3,243,331
3,986,901	1,266,289
5,219,921	6,915,939
1,885,162,917	1,568,422,034
1,894,369,739	1,576,604,262
2,920,440,398	2,476,258,143
2,920,440,399	2,476,258,143
-	-

Amount in Taka

31.12.2016

31.12.2015

7.11 Particulars of required provision on Off-Balance Sheet Exposures

	Base for Provision	Rate %	31.12.2016	31.12.2015
Acceptance and endorsements	12,428,866,567	1%	124,288,666	116,438,660
Letter of guarantee	7,525,814,039		75,258,140	65,859,870
Letter of credit	10,157,338,856		101,573,389	84,818,550
Bills for Collection	3,374,586,929		33,745,869	24,843,875
Required provision of Off-Balance Sheet Exposures			334,866,064	291,960,955
Total provision maintained (note-12.3)			334,866,064	291,960,955
Excess/(short) provision at			-	-

7.12 Suits filed by the bank (Branch wise details)

Principal Branch	90,005,000	90,005,000
Topkhana Branch	388,351,278	388,351,278
Khulna Branch	691,672,905	683,318,905
Gulshan Branch	48,175,821	90,062,821
Sylhet Branch	243,574,059	212,362,487
Uttara Branch	107,918,222	107,918,222
Rajshahi Branch	17,932,215	17,932,215
Khatungonj Branch	1,177,152,133	1,177,152,133
Jubilee Road Branch	1,352,258,210	719,788,509
Cox's Bazar Branch	4,847,506	393,806
Imamgonj Branch	178,981,252	178,981,252
Saidpur SME/Krishi Branch	11,578,339	946,000
Agrabad Branch	1,073,117,555	946,149,304
Panthapath Branch	43,865,000	43,865,000
CEPZ Branch	38,021,489	29,105,715
Bhairab SME Branch	2,311,208	2,510,852
Benapole Branch	61,743,897	64,773,268
Rangpur Branch	30,898,883	7,917,050
Beanibazar Branch	14,794,434	3,067,342
CDA Branch	383,437,985	383,437,985
Kustia Branch	34,824,818	33,086,531
Dhanmondi Branch	33,685,369	115,181,404
Green Road Branch	29,215,186	29,215,186
Dinajpur Branch	72,161,125	13,028,332
Faridpur Branch	7,816,880	11,590,232
Nilphamari Branch	260,000	260,000
Takerhat Branch	2,412,788	1,549,881
Pahartali Branch	1,869,306,266	1,242,796,000
Rohanpur Branch	174,366,626	91,945,626
Bogra Branch	28,613,782	6,758,343
Goalabazar Branch	27,880,724	11,178,069
Moulovibazar Branch	13,863,906	796,988
Bishawanath Branch	23,892,750	16,944,093
Gulshan-1 Branch	21,700,120	1,500,000
Jessore Branch	5,525,992	5,525,992
Patuakhali Branch	606,510	-
Chaktai Branch	12,000,000	-
Bakshigonj Branch	4,991,352	-
Mymensingh Branch	8,315,623	-
Progati Sharani Branch	10,732,503	-
Savar SME Branch	6,290,080	-
Bashurhat Branch	2,277,596	-
	8,351,377,387	6,729,395,821

	Amount in Taka	
	31.12.2016	31.12.2015
7.13 Bills purchased and discounted		
Payable in Bangladesh	932,093,595	1,377,773,279
Payable outside Bangladesh	1,415,102,105	137,793,070
	2,347,195,700	1,515,566,349
7.14 Maturity grouping of bills purchased and discounted		
Payable within one month	-	-
Over one month but less than three months	938,878,280	606,226,539
Over three months but less than six months	1,408,317,420	909,339,809
Six months or more	-	-
	2,347,195,700	1,515,566,349
7.15 Sector -wise loans and advances		
Government & autonomous	-	-
Co-operative sector	-	-
Other public sector	-	-
Private sector	104,456,114,013	90,844,221,432
	104,456,114,013	90,844,221,432
7(a) Consolidated Loans and advances/Investments		
Standard Bank Limited (note-7)	102,108,918,313	89,328,655,084
Standard Bank Limited (Loan to SCML)	(1,799,654,140)	(1,614,638,051)
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	2,223,574,329	2,142,209,731
SBL Securities Ltd.	159,050,818	114,831,495
	102,691,889,320	89,971,058,259
Consolidated bills purchased and discounted		
Standard Bank Limited (note-7)	2,347,195,700	1,515,566,349
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	2,347,195,700	1,515,566,349
	105,039,085,020	91,486,624,608
8. Fixed assets including premises, furniture and fixture		
Land	2,370,861,325	2,370,861,325
Land and Building	497,920,067	495,282,384
Furniture & Fixture	531,059,137	475,247,873
Office Appliance	398,340,131	354,751,205
Computer	178,606,786	157,611,284
Bank's Vehicle	88,675,554	65,855,534
Total cost	4,065,463,000	3,919,609,604
Intangible Assets		
Software	82,812,471	77,156,373
Total cost	4,148,275,471	3,996,765,977
Less: Accumulated Depreciation	656,921,359	552,742,407
Net book value at the end of the year	3,491,354,112	3,444,023,570
(See Annexure-B for details)		

	Amount in Taka	
	31.12.2016	31.12.2015
8(a) Consolidated fixed assets including premises, furniture and fixture		
Standard Bank Limited (note-8)	3,491,354,112	3,444,023,570
Standard Exchange Co.(UK) Ltd.	2,324,051	3,504,098
Standard Express(USA) Ltd.	12,260,322	15,612,282
SBL Capital Mgt. Ltd.	3,516,983	3,793,341
SBL Securities Ltd.	6,127,820	5,925,418
	3,515,583,288	3,472,858,710
9. Other assets		
Stock of Stationery	12,361,540	9,451,426
Stamps in hand	3,933,128	3,059,740
Suspenses A/c (note-9.1)	224,814,746	136,675,544
Advance Deposit	1,396,298	1,571,430
Branch adjustments accounts (note-12.9)	137,401,518	48,160,647
Sundry Assets (note-9.2)	7,808,126,045	6,964,548,633
	8,188,033,275	7,163,467,419
9.1 Suspense Accounts		
Sundry Debtors	34,991,137	30,542,145
Advance Against TA/DA	410,000	389,231
Advance Against Proposed Branch	35,072,880	15,150,000
Advance Against Legal Expenses	6,402,335	7,437,461
Encashment-PSP/BSP/WEDB	107,054,108	50,006,749
Advance on against board meeting	235,000	275,000
Advance Against Annual General Meeting	15,000	165,000
Mobile Banking	47,177	43,077
Cash Remittance	40,587,109	32,666,881
	224,814,746	136,675,544
9.2 Sundry Assets		
Advance Rent	355,084,208	353,782,559
Interest Receivable (note - 9.4)	241,889,224	316,863,252
Prepaid expenses	1,041,222	33,216,082
Advance Tax (note-9.3)	7,155,073,367	6,220,807,795
Repo Adjustment	-	13,803,428
Protested Bill Account	28,737,128	28,737,128
Clearing Adjustment	(2,062,862)	(2,062,862)
BFTN adjustment	(17,686,264)	(14,638,277)
Receivable from Obu	-	4,292,198
Interest Waived	30,129,672	-
Excise duty adjustment on FDR	15,920,050	9,747,030
Demand Draft without advice	300	300
	7,808,126,045	6,964,548,633
9.3 Advance Tax		
Advance Corporate Tax	6,768,792,586	5,895,502,442
Advance Income tax on L/C Commission	71,783,895	63,388,062
Advance Income tax on Tr.Bill	109,059,077	99,477,907
Advance Income tax on Share dividend	146,581,990	113,205,835
Advance Tax On Vehicle	490,000	200,000
Advance Income tax on Interest Balance with other banks	53,507,419	45,262,869
Advance Income tax on Subordinated bond	4,858,400	3,770,680
	7,155,073,367	6,220,807,795

	Amount in Taka	
	31.12.2016	31.12.2015
9.4 Interest Receivable		
Interest Receivable on Staff loan	-	278,242
Interest Receivable on LTR	-	283,222
Interest Receivable on SME	-	26,840
Interest Receivable on Bill purchased & discount	-	4,473,323
Interest Receivable on Treasury Bond	236,955,562	299,962,665
Interest Receivable on SOD	-	64,006
Interest Receivable on Agri & Rural Credit	-	825,533
Interest Receivable on transport loan	-	5,085
Interest Receivable on Subordinated Bond	1,247,615	1,896,489
Interest Receivable on packing credit	-	1,014,000
Interest Receivable on FDR	3,686,047	8,033,846
	241,889,224	316,863,252
9(a) Consolidated other assets		
Standard Bank Limited (note-9)	8,188,033,275	7,163,467,419
Standard Exchange Co.(UK) Ltd.	16,416,608	12,522,875
Standard Express(USA) Ltd.	12,794,250	14,276,758
SBL Capital Mgt. Ltd.	230,957,516	126,490,602
SBL Securities Ltd.	367,100,674	375,369,097
	8,815,302,323	7,692,126,752
10. Borrowings from other banks, financial institutions and agents		
In Bangladesh (note-10.1)	4,462,884,832	3,115,837,033
Outside Bangladesh	804,095,112	-
	5,266,979,944	3,115,837,033
10.1 In Bangladesh		
Call Borrowings		
Rupali Bank Ltd	200,000,000	-
BASIC Bank Ltd	-	120,000,000
Re-Finance from B Bank	129,623,360	113,971,800
EDF from B Bank	2,133,261,472	881,865,233
SBL Subordinated Bond	2,000,000,000	2,000,000,000
	4,462,884,832	3,115,837,033
Outside Bangladesh		
ICICI Bank UAE	804,095,112	-
	5,266,979,944	3,115,837,033
10.2 Security against borrowing from other banks, financial institutions and agents		
Secured	-	-
Unsecured	5,266,979,944	3,115,837,033
	5,266,979,944	3,115,837,033
10.3 Maturity grouping of borrowing from other banks, financial institutions and agents		
Repayable on demand	5,266,979,944	3,115,837,033
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	-	-
	5,266,979,944	3,115,837,033

	Amount in Taka	
	31.12.2016	31.12.2015
10(a) Consolidated Borrowings from other banks, financial institutions and agents		
Standard Bank Limited (note-9)	5,266,979,944	3,115,837,033
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	16,597,260	80,180,401
SBL Securities Ltd.	-	50,549,627
	5,283,577,204	3,246,567,061
11. Deposits and other deposits		
Deposits from banks (note-11.1)	8,860,000,000	7,400,000,000
Deposits from customers (note.11.3)	113,664,939,102	99,504,584,346
	122,524,939,102	106,904,584,346
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)	8,860,000,000	7,400,000,000
	8,860,000,000	7,400,000,000
11.2 Deposits' from banks (Fixed Deposits)		
United Commercial Bank Limited	980,000,000	500,000,000
BRAC Bank Limited	-	1,000,000,000
National Bank Limited	-	1,500,000,000
Modhumoti Bank Limited	-	400,000,000
HABIB Bank Ltd	190,000,000	-
Trust Bank Limited	1,000,000,000	-
Mutual Trust Bank Limited	400,000,000	-
Dutch Bangla Bank Limited	-	1,000,000,000
Rupali Bank Ltd	1,000,000,000	-
Com.Bank of ceylon	500,000,000	-
Standard Chartered Bank	90,000,000	-
Uttara Bank Limited	2,500,000,000	500,000,000
NCC Bank Limited	1,000,000,000	1,000,000,000
Prime Bank Limited	200,000,000	200,000,000
Mercantile Bank Limited	-	500,000,000
Bank Asia Limited	1,000,000,000	800,000,000
	8,860,000,000	7,400,000,000
11.3 Customer Deposits		
i) Current deposits and other Deposits		
Current / Al-wadeeah current deposits	4,938,555,405	5,378,676,752
Foreign Currency deposits	3,014,137,616	2,090,045,631
Sundry deposits (note - 11.4)	6,933,238,195	5,808,300,167
	14,885,931,216	13,277,022,550
ii) Bills payable		
Pay orders issued	2,886,074,644	1,221,845,507
Pay slips issued	600	600
Demand draft	22,656,702	22,717,497
	2,908,731,946	1,244,563,604
iii) Savings bank Deposits/Mudaraba savings deposits	8,036,626,269	6,084,761,875

		Amount in Taka	
		31.12.2016	31.12.2015
iv) Term Deposits/Fixed Deposits			
Fixed deposits/Mudaraba Fixed Deposits (Excluding Bank Deposit)			
Short term deposits		74,185,594,746	67,248,028,186
Deposits Under Schemes		4,621,491,769	3,109,669,981
		9,026,563,156	8,540,538,150
		87,833,649,671	78,898,236,317
Total		113,664,939,102	99,504,584,346
11.4 Sundry deposits			
Sundry creditors		206,746,807	179,480,853
Foreign currency held against back to back L/C		1,000	1,000
Margin on Letter of Guarantee		580,954,468	504,220,471
Margin on Letter of Credit		620,647,863	628,174,963
Margin on FDBP/IBP/Export bills etc.		365,877,617	228,990,938
Sales proceeds of PSP/BSP etc.		55,850,000	41,550,000
Risk Fund		5,234,318	5,266,225
Service charge		1,264,924	517,792
Security Money		10,639,441	7,484,216
SBL Employees Provident Fund		37,714	10,230
SBL Employees W. Fund		1,003,700	1,002,900
Interest payable on deposits		4,759,488,462	3,954,258,708
VAT, Excise Duty and Income Tax		256,310,656	250,360,600
SBL Gratuity Fund		60,000,000	-
Central Fund (RMG Sector)		430,963	-
Others		8,750,262	6,981,271
		6,933,238,195	5,808,300,167
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		8,860,000,000	7,400,000,000
Over 1 year but within 5 years		-	-
Over 5 years but within 10 years		-	-
Over 10 years		-	-
		8,860,000,000	7,400,000,000
11.6 Maturity analysis (Deposits received from other than banks)			
Repayable on demand		4,444,699,865	4,840,809,077
Up to 1 month		7,252,920,744	12,531,518,286
Over 1 month but within 3 months		17,202,539,385	14,958,808,430
Over 3 months but within 1 year		25,576,306,502	21,700,478,405
Over 1 year but within 5 years		33,552,790,502	25,735,227,771
Over 5 years but within 10 years		25,635,682,105	19,737,742,378
Over 10 years		-	-
		113,664,939,102	99,504,584,346
11.7 Maturity analysis (Bills payable)			
Repayable on demand		-	-
Up to 1 month		2,908,731,946	1,244,563,604
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		-	-
		2,908,731,946	1,244,563,604

	Amount in Taka	
	31.12.2016	31.12.2015
11.8 Payable on Demand and Time Deposits		
i. Demand Deposits		
Current / Al-wadeeah current Deposits	4,938,555,405	5,378,676,752
Savings Deposits/Mudaraba Savings deposits (10%)	803,662,627	608,476,188
Foreign Currency Deposits (non interest/profit bearing)	3,014,137,616	2,090,045,631
Sundry deposits	6,933,238,195	5,808,300,167
Bills payable	2,908,731,946	1,244,563,604
	18,598,325,789	15,130,062,342
ii. Time Deposits		
Savings deposits/Mudaraba savings deposits (90%)	7,232,963,642	5,476,285,688
Fixed deposits/Mudaraba Term Deposits	83,045,594,746	74,648,028,186
Short term deposits/Mudaraba short term deposits	4,621,491,769	3,109,669,981
Deposits under schemes	9,026,563,156	8,540,538,150
Foreign currency deposits (interest/profit bearing)	-	-
	103,926,613,313	91,774,522,005
	122,524,939,102	106,904,584,346
11.9 Fixed Deposits- Maturity wise Grouping(including Bank Deposit)		
Repayable within 01 month	8,370,195,104	14,647,841,432
Repayable over 1 months but within 03months	16,740,390,208	14,647,841,432
Repayable over 3 months but within 1 year	18,010,033,275	15,917,484,499
Repayable over 1 year but within 5 years	23,315,857,210	18,237,656,595
Repayable over 5 years but within 10 years	16,609,118,949	11,197,204,228
Unclaimed Deposits for 10 years and above	-	-
	83,045,594,746	74,648,028,186
11.10 Deposits Under Schemes		
Standard Bank Regular Deposit Programme(SRDP)	3,540,112,713	2,903,035,834
Double Income Plus (DI+)	3,625,044,087	3,690,784,661
Standard Bank Regular Income Programme(SRIP)	486,381,465	643,871,549
Savings scheme for Tk.10.00 lac	614,870,582	664,405,617
Savings scheme for Tk.5.20 lac	383,659,135	327,860,934
Marriage SB Insurance Scheme	200,000	200,000
SBL Lakhopati Plus Programme	62,505,105	86,114,099
SBL Millionaire Plus Programme	152,050,069	223,313,352
SBL 1.5 Times Income Program	161,740,000	-
Hajj Savings Schemes	-	952,104
	9,026,563,156	8,540,538,150
11.11 Sector -wise deposits		
Government & autonomous	11,002,348,000	12,075,157,000
Deposit Money Bank	8,860,000,000	7,400,000,000
Other public sector	45,673,755,486	42,038,422,715
Foreign Currency	3,014,137,616	2,090,045,631
Private	53,974,698,000	43,300,959,000
	122,524,939,102	106,904,584,346
11(a) Consolidated deposits and other deposits		
Current deposits and other deposits		
Standard Bank Limited (note-11.3)	14,885,931,216	13,277,022,550
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	28,892,385	27,147,640
SBL Securities Ltd.	-	-
	14,914,823,601	13,304,170,190

	Amount in Taka	
	31.12.2016	31.12.2015
Bills payable		
Standard Bank Limited (note-11.3)	2,908,731,946	1,244,563,604
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	2,908,731,946	1,244,563,604
Savings bank/Mudaraba savings deposits		
Standard Bank Limited (note-11.3)	8,036,626,269	6,084,761,875
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	8,036,626,269	6,084,761,875
Short Term Deposits		
Standard Bank Limited (note-11.3)	4,621,491,769	3,109,669,981
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	4,621,491,769	3,109,669,981
Term/Fixed deposits		
Standard Bank Limited (note-11.3)	83,045,594,746	74,648,028,186
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	83,045,594,746	74,648,028,186
Deposits under schemes		
Standard Bank Limited (note-11.3)	9,026,563,156	8,540,538,150
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	9,026,563,156	8,540,538,150
	122,553,831,487	106,931,731,987
12. OTHER LIABILITIES		
Provision for Taxation (note-12.1)	7,383,301,414	6,326,724,066
Deferred Tax (note-12.1(i))	51,974,753	43,478,165
Accrued Expenses	28,326,121	15,600,401
General Provision for Unclassified Loans (note-12.2)	1,021,631,836	896,410,550
General Provision for SMA (note-12.2)	4,438,823	3,243,331
Specific provision for Classified loans (note-12.2)	1,894,369,740	1,576,604,262
Provision for classified others Assets (note-12.6)	36,218,603	38,118,603
Provision for decrease in value of investments (note-12.7)	4,775,231	4,775,231
Provision for Off-Balance Sheet Items (note-12.3)	334,866,064	291,960,955
Interest Suspense Account (note-12.4)	236,548,859	251,682,207
Provision for Nostro A/c	42,575	42,575
Provision for Bonus (note-12.5)	199,480,377	250,000,000

		Amount in Taka	
		31.12.2016	31.12.2015
Provision for LFC		25,996,962	22,972,409
Provision for interest waived (note-12.11)		40,000,000	47,075,225
SBL Foundation		30,000,000	30,000,000
Provision for Green Banking		10,500,000	8,000,000
Dividend Settlement A/C		25,830	-
Provision for Incentive of good borrower		10,000,000	-
Payable to OBU		32,733	-
Provision for unforeseen losses		8,041,283	6,041,283
Profit receivable on Bai Murabaha/Bai Muajjal		2,256,390	13,527,215
Exchange House		11,533,610	14,145,162
Islamic Settlement Account		803,126	-
Foreign Currency translation gains (note-12.10)		1,100,671	6,602,154
Total		11,336,265,000	9,847,003,793
12.1 Provision for Taxation			
Opening Balance		6,326,724,066	5,386,480,513
Addition during the period		1,056,577,348	940,243,553
		7,383,301,414	6,326,724,066
Adjustment during the period		-	-
Closing Balance		7,383,301,414	6,326,724,066
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)		7,383,301,414	6,326,724,066
Standard Exchange Co.(UK) Ltd.		-	-
Standard Express(USA) Ltd.		-	-
SBL Capital Mgt. Ltd.		201,459,401	143,772,904
Opening Balance	31.12.2016		
	143,772,904	31.12.2015	
Addition during the period	57,686,497	72,162,636	
Adjustment of over tax for the year 2013	-	594,086	
Adjustment of advance tax for the year 2013	-	45,954,064	
Closing Balance	201,459,401	143,772,904	
SBL Securities Ltd.		44,203,094	50,660,867
Opening Balance	50,660,867	39,616,194	
Addition during the period	13,220,198	13,785,033	
Adjustment during the period	19,677,971	2,740,360	
Closing Balance	44,203,094	50,660,867	
		7,628,963,909	6,521,157,837
12.1(i) Deferred Tax :			
I) Written down value of fixed assets			
Carrying amount at balance sheet		3,491,354,112	3,444,023,570
Tax base		(3,361,442,605)	(3,335,328,159)
Taxable Temporary Difference		129,911,507	87,039,357
II) Employees benefit			
Carrying amount at balance sheet		-	-
Tax base		-	-
Taxable Temporary Difference		-	-
Total temporary difference		129,911,507	108,695,412
Tax Rate		40.00%	42.50%
Deferred Tax asset/(Liability)		(51,964,603)	(36,991,727)
Opening Balance		43,478,165	36,991,727
Addition during the period		8,496,588	6,486,438
		51,974,753	43,478,165
Adjustment during the year		-	-
Closing Balance		51,974,753	43,478,165

	Amount in Taka	
	31.12.2016	31.12.2015
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	896,410,550	864,493,304
Additional provision for the period	125,221,286	31,917,246
Provision held at the end of the period	1,021,631,836	896,410,550
ii) The movement in general provision on Special Mention Account (SMA) loans:		
Provision held at the beginning of the year	3,243,331	3,141,931
Amount transferred to provision for bad & doubtful debts	-	-
Additional provision for the period	1,195,491	101,400
Provision held at the end of the period	4,438,823	3,243,331
iii) The movement in specific provision for bad and doubtful debts:		
Provision held at the beginning of the Period	1,576,604,262	1,550,636,184
Amount adjusted during the Period	-	-
Amount written off during the Period	(383,936,128)	(424,978,393)
Additional amount of provision for the Period	-	-
Amount of provision for the Period	701,701,606	450,946,471
Provision held at the end of the period	1,894,369,740	1,576,604,262
Total	2,920,440,399	2,476,258,143
12.3 The movement in General provision for Off Balance Sheet Items:		
Provision held at the beginning of the Period	291,960,955	272,512,550
Additional provision for the period	42,905,109	19,448,405
Provision held at the end of the period	334,866,064	291,960,955
12.4 Interest Suspense Account		
Balance at the beginning of the Period	251,682,207	187,404,778
Amount transferred to " Interest Suspense A/c" during the period (+)	47,616,770	135,424,024
Amount recovered in " Interest Suspense A/c" during the period (-)	33,204,096	68,961,939
Amount written off during the Period (-)	29,546,022	2,184,656
Balance at the end of the period	236,548,859	251,682,207
12.5 Provision for Bonus		
Balance at the beginning of the period	250,000,000	235,000,000
Add: Additional provision for the period	150,000,000	250,000,000
Less: Disbursement during the period	200,519,623	235,000,000
	199,480,377	250,000,000
12.6 Provision for other Assets		
a) Provision against protested bill		
Balance at the beginning of the period	28,737,128	16,844,329
Add: Addition during the period	-	11,892,799
	28,737,128	28,737,128
b) Provision against suspense		
Balance at the beginning of the period	9,381,475	100,000
Less: Amount written off during the Period	1,900,000	-
Add: Addition during the period	-	9,281,475
	7,481,475	9,381,475
Total Provision for other Assets	36,218,603	38,118,603

	Amount in Taka	
	31.12.2016	31.12.2015
12.6(a) Consolidated Provision for Other Assets		
Standard Bank Limited (note-12.7)	36,218,603	38,118,603
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	38,607,667
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.	415,277,439	351,752,421
Add: Addition during the period	29,891,354	63,525,018
SBL Securities Ltd.	13,183,893	5,450,019
Add: Addition during the period	4,082,853	7,733,874
	467,210,770	433,236,563
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.	158,594,101	108,033,666
Add: Addition during the period	94,434,142	50,560,435
SBL Securities Ltd.	1,444,402	1,068,545
Add: Addition during the period	-	375,857
	254,472,645	160,038,503
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.		

		Amount in Taka	
		31.12.2016	31.12.2015
12.10	Foreign Currency translation gains/loss against investment		
	Standard Exchange Co.(UK) Ltd.	(5,144,929)	776,554
	Beginning of the Period	776,554	2,268,941
	Addition during the period	-	-
	Adjustment during the period	5,921,483	1,492,387
	Standard Express(USA) Ltd.	6,245,600	5,825,600
	Beginning of the Period	5,825,600	5,405,600
	Addition during the period	420,000	420,000
	Adjustment during the period	-	-
	Total Foreign Currency translation gains	1,100,671	6,602,154
	Less: Foreign Currency translation loss		
	Beginning of the Period	-	-
	Addition during the period	-	-
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
		1,100,671	6,602,154
12.11	Provision for interest waived		
	Balance at the beginning of the Period	47,075,225	37,800,000
	Add: Additional provision for the Period	40,000,000	40,000,000
	Less: Disbursement during the period	47,075,225	30,724,775
		40,000,000	47,075,225
12.(a)	Consolidated other liabilities		
	Standard Bank Limited (note-12)	11,336,265,000	9,847,003,793
	Standard Exchange Co.(UK) Ltd.	13,195,661	9,644,411
	Standard Express(USA) Ltd.	12,004,093	18,261,225
	SBL Capital Mgt. Ltd.	901,782,805	719,896,706
	SBL Securities Ltd.	115,812,679	73,720,517
		12,379,060,238	10,668,526,651
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:

Accounting Year	Declaration	No of Share	Value in capital	Cumulative
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
2005	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

13.3 Issued, subscribed and fully Paid up Capital :

66,000,000 ordinary shares of Taka 10/- each issued for cash

622,524,302 ordinary shares of Taka 10/- each issued as bonus shares

65,577,600 ordinary shares of Taka 10/- each issued as Right shares in 2007

Amount in Taka	
31.12.2016	31.12.2015
660,000,000	660,000,000
6,225,243,020	5,241,631,850
655,776,000	655,776,000
7,541,019,020	6,557,407,850

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	Number of shares		Number of shares in (%)	
	01.01.2016	31.12.2016	01.01.2016	31.12.2016
Sponsors/Promoters	280,629,901	321,536,757	42.80%	42.64%
Investment Corporation of Bangladesh	16,975,716	37,299,543	2.59%	4.95%
ICB Unit Fund, ICB Mutual Fund & ICB Investors Account	20,943,410	26,199,696	3.19%	3.47%
Financial Institutions	17,239,476	18,675,325	2.63%	2.48%
General Public	319,952,282	350,390,581	48.79%	46.46%
Total	655,740,785	754,101,902	100.00%	100.00%

Amount in Taka

31.12.2016

31.12.2015

13.7 Classification of Shareholders by holding as on 31 December, 2016

Given below the history of raising of share capital:

Shareholding range	Number of Share holders	No. of shares	No. of shares
01-500	8307	1,490,468	1,996,593
501-5,000	15009	26,533,441	30,895,635
5,001-10,000	2653	16,903,801	18,332,553
10,001-20,000	1705	20,167,190	23,078,387
20,001-30,000	615	13,665,839	14,505,099
30,001-40,000	264	7,664,380	8,059,409
40,001-50,000	165	7,204,979	7,857,095
50,001-100,000	375	22,465,153	26,974,780
100,001-10,00,000	450	126,692,576	117,098,633
10,00,000 to 100,00,000	73	197,614,984	163,392,031
100,00,000 and over	17	313,699,091	243,550,569
	29633	754,101,902	655,740,784

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 2016 is shown below:

Core Capital (Tier-I)

Paid up Capital	7,541,019,020	6,557,407,850
Statutory Reserve (note-14)	4,175,158,942	3,753,432,725
General Reserve	-	-
Surplus Profit & Loss Account/Retained Earnings	785,832,258	1,010,618,744
Sub Total	12,502,010,220	11,321,459,319
Regulatory Adjustments	2,145,311,949	413,881,170
Total Core Capital (Tier-I)	10,356,698,271	10,907,578,149

Supplementary Capital (Tier-II)

General Provision maintained against unclassified loan/ investment (note-12.2)	1,026,070,659	899,653,881
Provision for Off-Balance sheet exposure(note-12.3)	334,866,064	291,960,955
SBL Subordinated Bond	2,000,000,000	2,000,000,000
Revaluation gain/loss on Securities 50% of revaluation reserves as on 31 December 2014 (Tk. 26,265,418.00)	13,132,709	13,132,709
Sub Total	3,374,069,432	3,204,747,545
Regulatory Adjustments	5,253,084	2,626,542
Total Supplementary Capital (Tier-II)	3,368,816,348	3,202,121,003
A. Total Capital Regulatory Capital	13,725,514,619	14,109,699,152
B. Total Risk Weighted Assets	118,987,266,607	113,658,835,331
C. Required Capital based on risk weighted assets (10%)	11,898,726,661	11,365,883,533
D. Surplus/(Deficiency) (A-C)	1,826,787,958	2,743,815,619
Capital to Risk Weighted Ratio ((A/B)*100)	11.54%	12.41%

Percentage of Capital on Risk weighted Assets:

	31.12.2016		31.12.2015	
	Required	Held	Required	Held
Capital Requirement				
Minimum Common Equity Tier-I	4.50%	8.70%		
Minimum Tier-I	5.50%	8.70%	5.00%	9.60%
Tier-II	Not specified	2.83%	Not specified	2.82%
Total	10.00%	11.54%	10.00%	12.41%

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 2016 is shown below:

	Amount in Taka	
	31.12.2016	31.12.2015
Core Capital (Tier-I)		
Paid up Capital	7,541,019,020	6,557,407,850
Statutory Reserve (note-14a)	4,175,158,942	3,753,432,725
General Reserve	-	-
Minority interest in subsidiaries	140,254	136,180
Surplus Profit & Loss Account/Retained Earnings	832,724,472	1,146,871,194
Sub Total	12,549,041,071	11,457,847,949
Regulatory Adjustments	2,145,311,949	413,881,170
Total Core Capital (Tier-I)	10,403,729,122	11,043,966,779
Supplementary Capital (Tier-II)		
General Provision maintained against unclassified loan/ investment (note-12.2)	1,026,070,659	899,653,881
Provision for Off-Balance sheet exposure(note-12.3)	334,866,064	291,960,955
SBL Subordinated Bond	2,000,000,000	2,000,000,000
Revaluation gain/loss on Securities 50% of revaluation reserves as on 31 December 2014 (Tk. 26,265,418.00)	13,132,709	13,132,709
Sub Total	3,374,069,432	3,204,747,545
Regulatory Adjustments	5,253,084	2,626,542
Total Supplementary Capital (Tier-II)	3,368,816,348	3,202,121,003
A. Total Capital	13,772,545,470	14,246,087,782
B. Total Risk Weighted Assets	121,008,980,742	116,936,425,694
C. Required Capital based on risk weighted assets (10%)	12,100,898,074	11,693,642,569
D. Surplus/(Deficiency) (A-C)	1,671,647,395	2,552,445,212
Capital to Risk Weighted Ratio ((A/B)*100)	11.38%	12.18%

Percentage of Capital on Risk weighted Assets:

	31.12.2016		31.12.2015	
	Required	Held	Required	Held
Capital Requirement				
Minimum Common Equity Tier-I	4.50%	8.60%	4.50%	9.44%
Minimum Tier-I	5.50%	8.60%	5.00%	9.44%
Tier-II	Not specified	2.78%	Not specified	2.74%
Total	10.00%	11.38%	10.00%	12.18%

	Amount in Taka	
	31.12.2016	31.12.2015
14 Statutory Reserve		
Opening balance at the beginning of the Period	3,753,432,725	3,279,884,057
Addition during the period	421,726,217	473,548,668
Closing balance at the end of the Period	4,175,158,942	3,753,432,725
14(a) Consolidated Statutory Reserve		
Opening balance at the beginning of the Period	3,753,432,725	3,279,884,057
Addition during the period	421,726,218	473,548,668
Closing balance at the end of the Period	4,175,158,942	3,753,432,725
15. General Reserve		
Opening balance at the beginning of the Period	-	-
Transferred from diminution in value of investments	-	-
Closing balance at the end of the Period	-	-
15.1 Revaluation gain/loss on investments		
Gain from revaluation of investment (HFT & HTM)	16,389,640	26,265,418
Adjustment during the Period	(16,389,640)	(26,265,418)
Addition during the period	23,697,443	16,389,640
Closing balance at the end of the Period	23,697,443	16,389,640
15.1(a) Consolidated revaluation gain/loss on investment		
Standard Bank Limited	23,697,443	16,389,640
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	23,697,443	16,389,640
16. Retained earnings/movement of profit and loss account		
Balance on 1 January	1,010,618,744	719,477,885
Add: Net Profit after tax for the Period	1,043,557,151	1,421,013,347
Add: Transfer from SCML	104,996,150	134,995,050
Add: Transfer from SBSL	31,997,600	63,995,200
Less: Transfer to statutory Reserve	(421,726,217)	(473,548,668)
Less: Cash/Stock dividend	(983,611,170)	(855,314,070)
Balance at	785,832,258	1,010,618,744
16(a) Consolidated retained earnings/movement of profit and loss account		
Balance on 1 January	1,146,871,194	877,682,612
Add: Prior years adjustment (for 2013)	-	594,086
Add: Net Profit after tax for the Period	1,088,201,035	1,596,425,236
Less: Transfer to statutory Reserve	(421,726,218)	(473,548,668)
Add/Less: Foreign Currency translation Gain/ loss	2,992,088	1,039,557
Less: Minority Interest	(4,074)	(7,558)
Less: Cash/Stock dividend	(983,611,170)	(855,314,070)
Balance at	832,722,855	1,146,871,194
16.1 Retained Earnings carried forward from previous Period		
Balance on 1 January	63,154,065	71,472,824
Add: Net Profit after tax & statutory reserve for the previous Period	947,464,679	648,005,061
Add: Transfer from SCML	104,996,150	134,995,050
Add: Transfer from SBSL	31,997,600	63,995,200
Less: Cash/Stock dividend	(983,611,170)	(855,314,070)
Balance at	164,001,324	63,154,065

	Amount in Taka	
	31.12.2016	31.12.2015
16.1(a) Consolidated Retained Earnings carried forward from previous Period		
Balance on 1 January	23,994,626	33,220,790
Add: Net Profit after tax & statutory reserve for the previous Period	1,122,876,568	845,055,908
Add/ Less: Foreign Currency translation Gain /(loss)	2,992,088	1,039,557
Less: Minority Interest	(4,074)	(7,558)
Less: Cash/Stock dividend	(983,611,170)	(855,314,070)
Balance at	166,248,038	23,994,626
16.1(b) Minority Interest		
SBL Capital Mgt. Ltd.		
Balance on 1 January	65,797	60,920
Add: Addition during the period	1,279	4,877
Sub Total	67,076	65,797
SBL Securities Ltd.		
Balance on 1 January	70,383	67,702
Add: Addition during the period	2,795	2,681
Sub Total	73,178	70,383
Balance at	140,254	136,180
17. CONTINGENT LIABILITIES		
17.1 Acceptances and Endorsements		
Back to Back L/C (Foreign)	31,990,181	7,721,379
Back to Back L/C (Local)	4,276,236,026	4,661,685,323
Letter of Credit (Others)	8,120,640,360	6,974,459,280
	12,428,866,567	11,643,865,982
17.2 Letter of Guarantee		
Letter of Guarantee(Local)	7,466,401,059	6,583,866,095
Letter of Guarantee(Foreign)	59,412,980	2,120,920
Others	-	-
	7,525,814,039	6,585,987,015
Money for which the Bank is contingently liable in respect of guarantees given favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	7,525,814,039	6,585,987,015
	7,525,814,039	6,585,987,015
17.3 Irrevocable Letter of Credit		
Letter of Credit (Sight)	7,104,555,262	5,768,035,745
Letter of Credit (Usance)	3,052,783,594	2,713,819,251
Letter of Credit (Others)	-	-
	10,157,338,856	8,481,854,996
17.4 Bill for Collection		
Inward local bill for collection	208,154,897	208,154,897
Inward Foreign bill for collection	406,000	406,000
Outward local bill for collection	1,771,158,123	1,653,626,090
Outward Foreign bill for collection	1,394,867,909	622,200,496
	3,374,586,929	2,484,387,483
17.5 Other Contingent Liabilities		
	-	-
	-	-
	33,486,606,391	29,196,095,476

		Amount in Taka	
		31.12.2016	31.12.2015
17(a)	Consolidated contingent liabilities		
	Acceptances and endorsements		
	Standard Bank Limited (note-17)	12,428,866,567	11,643,865,982
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		12,428,866,567	11,643,865,982
	Letters of guarantee		
	Standard Bank Limited (note-17)	7,525,814,039	6,585,987,015
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		7,525,814,039	6,585,987,015
	Irrevocable Letters of Credit		
	Standard Bank Limited (note-17)	10,157,338,856	8,481,854,996
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		10,157,338,856	8,481,854,996
	Bills for Collection		
	Standard Bank Limited (note-17)	3,374,586,929	2,484,387,483
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		3,374,586,929	2,484,387,483
	Other Contingent liabilities		
	Standard Bank Limited (note-17)	-	-
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		-	-
		33,486,606,391	29,196,095,476
18	Income Statement		
	Income:		
	Interest/ profit, discount and similar income (note-18.1)	10,190,193,175	10,424,600,767
	Dividend income (note-20)	34,177,101	58,791,592
	Fees, Commission and brokerage (note-21.1)	423,707,664	420,072,772
	Gains Less Losses arising from dealing in securities (note-20)	-	-
	Gains Less Losses arising from Investment securities (note-20)	1,405,420,433	1,638,976,958
	Gains Less Losses arising from dealing in Foreign Currencies (Note-21.2)	341,573,724	304,939,116
	Income from non banking assets	-	-
	Other operating income (note-22)	297,052,826	274,705,930
	Profit less losses on interest rate changes	-	-
	Total	12,692,124,923	13,122,087,134
	Expenses:		
	Interest/profit paid on deposit, Borrowings etc.(note-19)	6,972,385,990	7,792,692,733
	Losses on loans and advances/Investments	40,000,000	40,199,748
	Administrative Expenses (note-18.2)	2,222,845,746	2,052,249,559
	Other operating expenses (note-33)	353,865,977	233,540,907
	Depreciation on Banking assets (note-32)	123,372,630	112,073,054
	Total	9,712,470,343	10,230,756,002
	Operating Profit before Provision	2,979,654,580	2,891,331,133

		Amount in Taka	
		31.12.2016	31.12.2015
18(a)	Consolidated Income Statement		
	Income:		
	Standard Bank Limited (note-18)	12,692,124,923	13,122,087,134
	Standard Exchange Co.(UK) Ltd.	21,797,603	47,821,015
	Standard Express(USA) Ltd.	90,787,783	91,682,810
	SBL Capital Mgt. Ltd.	207,050,659	325,713,376
	SBL Securities Ltd.	66,120,281	65,189,877
	Total	13,077,881,249	13,652,494,212
	Expenses:		
	Standard Bank Limited (note-18)	9,712,470,343	10,230,756,002
	Standard Exchange Co.(UK) Ltd.	22,749,357	39,528,647
	Standard Express(USA) Ltd.	85,580,275	78,178,925
	SBL Capital Mgt. Ltd.	18,164,618	14,563,800
	SBL Securities Ltd.	15,303,149	14,580,963
	Total	9,854,267,742	10,377,608,336
	Consolidated Operating Profit before Provision	3,223,613,507	3,274,885,875
18.1	Interest/profit , Discount and similar income		
	Interest/profit received from Loans and advances/Investments (note-18.3)	10,125,014,419	10,314,590,003
	Interest/profit received from FC clearing Account	2,536,876	1,994,426
	Interest/profit received from Bank and other financial institutions	62,641,880	108,016,338
		10,190,193,175	10,424,600,767
18.2	Administrative Expenses		
	Salary and allowances (note-23)	1,634,484,537	1,563,656,328
	Rent, Taxes, Insurance, Electricity etc. (note-24)	429,747,049	360,476,918
	Legal expenses (note-25)	10,803,149	3,320,768
	Postage, stamp, telecommunication etc. (note-26)	28,696,783	26,405,225
	Stationery, Printings, advertisement etc. (note-27)	58,154,377	48,290,725
	Managing Director's salary and fees (note-28)	7,675,000	8,420,000
	Directors' Fees (note-29)	7,176,344	5,874,500
	Auditor's fees (note -30)	1,138,500	503,750
	Repair of Bank's assets (note-32)	44,970,007	35,301,346
		2,222,845,746	2,052,249,559
	Expenses included VAT on which applicable		
18.3	Interest/profit received from Loans and advances/Investments		
	Secured overdraft/Quard against TDR	1,879,554,061	2,093,907,186
	Term Loan	2,734,721,032	2,884,559,398
	Export Development Fund (EDF)	106,186,676	62,157,099
	Agriculture Loan	368,954,938	286,411,000
	Cash credit/ Murabaha	1,477,852,889	1,621,203,895
	House Building loans	232,264,923	216,921,668
	Staff Loans	12,337,561	20,066,849
	Transport Loans	81,738,868	94,734,830
	Loans against trust receipt	693,347,462	888,427,081
	Payment against document	79,818,671	96,055,654
	Packing credit	27,196,300	23,674,906
	Demand Loan	567,601,148	419,867,262
	Lease Finance / Izara	110,595,867	118,531,479
	Syndicate/Club Finance	382,890,624	337,933,508
	VISA Credit Card	25,375,100	23,049,061
	SME/SE	1,140,011,605	994,217,787
	Green Finance	1,002,341	523,212
	Consumer Credit Scheme/Hire purchase	25,163,592	24,613,997
	Inland bills purchased	83,392,325	94,645,179
	Foreign bills purchased and discounted	95,008,436	13,088,952
	Total interest on loans and advances/Investments	10,125,014,419	10,314,590,003

	Amount in Taka	
	31.12.2016	31.12.2015
Interest / profit received from FC clearing account	2,536,876	1,994,426
Interest/profit received from Bank and other Financial Institution	42,174,297	79,999,865
Interest on Call Loans	20,467,583	28,016,473
	65,178,756	110,010,764
Total	10,190,193,175	10,424,600,767
18.3(a) Consolidated interest income/profit on investment		
Standard Bank Limited (note-18.3)	10,190,193,175	10,424,600,767
Standard Bank Limited (Intt. Received from SCML)	(155,016,089)	(164,208,724)
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	432,135	203,825
SBL Capital Mgt. Ltd.	229,219,683	284,614,262
SBL Securities Ltd.	28,120,758	15,809,952
	10,292,949,662	10,561,020,082
19. Interest/profit paid on deposits, borrowings, etc.		
Interest/Profit paid on deposits (note -19.1)	6,670,448,304	7,603,359,968
Interest paid on borrowings	301,937,686	189,332,765
	6,972,385,990	7,792,692,733
19.1 Interest/Profit paid on deposits ,borrowing etc of the Bank		
Interest/Profit paid on deposits		
Savings Bank / Mudaraba Savings Deposits	201,224,158	184,027,152
Short Term Deposits / Mudaraba Short Term Deposits	122,316,001	124,660,380
Fixed Deposits / Mudaraba Term Deposits	5,114,661,497	6,210,139,455
Deposits Under Schemes / Mudaraba Deposit Schemes	1,232,246,648	1,084,532,981
	6,670,448,304	7,603,359,968
Interest/Profit paid on borrowing		
Interest paid on call deposit	42,719,736	109,418,583
Interest paid on subordinated Bond	230,000,000	19,166,667
Interest paid on Bangladesh Bank Refinance	6,635,143	5,972,424
Interest paid on foreign Bank	20,795,551	-
Interest paid on ALS	-	3,966,801
Interest paid on Banlgladesh Bank Islamic fund	-	507,397
Interest paid on repurchase agreement(Repo)	1,787,256	50,300,893
	301,937,686	189,332,765
	6,972,385,990	7,792,692,733
19(a) Consolidated interest / profit paid on Deposits, borrowings, etc.		
Standard Bank Limited (note-19)	6,972,385,990	7,792,692,733
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	3,499,979	2,137,195
SBL Securities Ltd.	-	-
	6,975,885,969	7,794,829,928
20. Income from Investment		
Dividend on shares	34,177,101	58,791,592
Gain on shares	-	-
Interest/profit received from Subordinated Bond	24,750,963	19,029,511
Interest income from Government Securities(Note 20.1)	1,087,485,100	1,239,749,415
Capital Gain on Government Securities(Note 20.2)	293,184,370	380,198,031
	1,439,597,534	1,697,768,550

		Amount in Taka	
		31.12.2016	31.12.2015
20.1	Interest income from Government Securities		
	Interest on treasury bills	113,775,358	405,662,586
	Interest on treasury bonds	1,339,427,743	1,333,608,912
		1,453,203,101	1,739,271,498
	Interest expenses on treasury bills	-	-
	Interest expenses on treasury bonds	177,785,994	483,613,187
		177,785,994	483,613,187
	Net interest income from Government Securities	1,275,417,107	1,255,658,311
	Less: Net Revaluation Gain/(loss) on Government Securities (Note 20.03)	(187,932,007)	(15,908,896)
	Net Interest income from Government Securities	1,087,485,100	1,239,749,415
20.2	Capital Gain on Government Securities		
	Capital Gain on treasury bills	293,184,370	107,619,649
	Capital Gain on treasury bonds	-	273,521,559
		293,184,370	381,141,209
	Capital loss on treasury bills	-	943,178
	Capital loss on treasury bonds	-	-
		-	943,178
	Net Capital Gain on Government Securities	293,184,370	380,198,031
20.3	Revaluation Gain/(loss) on Government Securities		
	Revaluation Gain on treasury bills	57,322,152	153,204,545
	Revaluation Gain on treasury bonds	-	-
		57,322,152	153,204,545
	Revaluation loss on treasury bills	245,254,159	129,259,063
	Revaluation loss on treasury bonds	-	39,854,378
		245,254,159	169,113,441
	Net Revaluation Gain/(loss) on Government Securities	(187,932,007)	(15,908,896)
20(a)	Consolidated Income from Investment		
	Standard Bank Limited	1,439,597,534	1,697,768,550
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	106,518,328	181,438,935
	SBL Securities Ltd.	27,581,696	36,508,062
		1,573,697,558	1,915,715,547
21.	Commission/Fees, Exchange and Brokerage		
	Commission /Fees (note-21.1)	423,707,664	420,072,772
	Exchange earnings (note-21.2)	341,573,724	304,939,116
	Brokerage	-	-
		765,281,388	725,011,887
21.1	Commission		
	Commission on Import L/Cs	90,077,804	57,942,226
	Commission on Export L/Cs	25,767,997	21,479,064
	Commission on Back to Back L/Cs	204,172,759	231,198,262
	Commission on Bank Guarantee	85,563,776	92,644,687
	Commission on chanchyapatra	2,015,312	2,423,292
	Commission on Remittance	16,013,217	13,973,536
	Underwriting commission	96,799	411,704
		423,707,664	420,072,772
	Brokerage	-	-
		423,707,664	420,072,772

		Amount in Taka	
		31.12.2016	31.12.2015
21.2	Exchange		
	Gains arising from Dealing Securities	-	-
	Less: Losses	-	-
	Gains arising from Investment Securities	-	-
	Less: Losses	-	-
	Gains arising from Foreign Trade Business	480,577,159	511,580,515
	Less: Losses	139,003,435	206,641,400
		341,573,724	304,939,116
21(a)	Consolidated Commission, Exchange and Brokerage		
	Standard Bank Limited (note-21)	765,281,388	725,011,887
	Standard Exchange Co.(UK) Ltd.	20,696,652	45,459,268
	Standard Express(USA) Ltd.	90,307,587	91,424,514
	SBL Capital Mgt. Ltd.	25,003,537	22,535,828
	SBL Securities Ltd.	10,256,042	12,741,212
		911,545,206	897,172,709
22.	Other operating income		
	SWIFT & Telex charge recoveries	50,315,646	44,529,568
	Postage charge recoveries	18,898,789	16,332,674
	Service charges	79,040,174	82,295,438
	FCC recoveries	1,300	1,000
	Rebate on nostro a/c	43,697,856	31,494,010
	Handling charges on EDF	23,524,646	27,442,653
	Locker charges	747,121	801,000
	LC advising charges	146,650	150,113
	Loan processing/documentation fees	19,020,245	21,339,345
	Capital Gain on Sale of Assets	7,947,800	983,600
	Service charges agst CIB/Clearing return	1,278,626	1,520,308
	Debit / VISA Card Fees	19,571,484	21,448,061
	Stationery Charge Recovery	1,050,322	1,777,727
	Handling Charge On Import Lc	896,768	816,424
	Handling Charge On Export Lc	11,254,777	8,669,178
	Earning on Treasury FEX	2,861,521	2,309,080
	NPSB Settlement Income	1,871,892	1,112,796
	Miscellaneous earnings	14,927,209	11,682,956
		297,052,826	274,705,930
22(a)	Consolidated other operating income		
	Standard Bank Limited (note-22)	297,052,826	274,705,930
	Standard Exchange Co.(UK) Ltd.	1,100,951	2,361,747
	Standard Express(USA) Ltd.	48,061	54,471
	SBL Capital Mgt. Ltd.	1,325,200	1,333,075
	SBL Securities Ltd.	161,785	130,651
		299,688,823	278,585,874
23.	Salaries and allowances		
	Basic salary	619,145,269	556,767,486
	Allowances (note-23.1)	652,622,813	575,913,813
	Bonus & ex-gratia	268,238,618	335,437,945
	Bank's contribution to provident fund	61,130,182	54,608,225
	Casual wages	33,347,655	40,928,859
		1,634,484,537	1,563,656,328

	Amount in Taka	
	31.12.2016	31.12.2015
23.1 Allowances		
House rent allowances	309,214,265	276,384,742
Conveyance allowances	65,205,916	58,620,368
Entertainment allowances	301,418	95,170
House maintenance & utility	12,020,705	9,677,851
Medical allowances	93,987,056	83,178,900
Risk allowances	1,918,176	1,755,250
Washing allowances	1,908,234	1,685,726
Remuneration for probationaries	38,509,835	27,239,649
Charge allowances	2,084,770	1,949,210
Leave Fare Compensation	25,784,660	22,800,694
Gratuity	88,000,000	83,333,333
Leave Encashment	13,223,282	8,849,317
Extra allowances	464,496	343,604
	652,622,813	575,913,813
23(a) Consolidated salaries and allowances		
Standard Bank Limited (note-23)	1,634,484,537	1,563,656,328
Standard Exchange Co.(UK) Ltd.	6,316,044	10,099,792
Standard Express(USA) Ltd.	36,068,553	32,426,138
SBL Capital Mgt. Ltd.	8,013,163	7,372,964
SBL Securities Ltd.	7,758,298	7,520,007
	1,692,640,595	1,621,075,229
24. Rent, Taxes, Insurance, electricity, etc.		
Rent- Office	262,597,383	208,301,556
Rent- Godown	18,000	18,000
Lease Rent-Vehicle	5,690,832	7,358,630
Rates and taxes	37,820,916	39,153,899
Insurance	69,679,675	57,721,349
Utilities	53,940,243	47,923,485
	429,747,049	360,476,918
24(a) Consolidated Rent, Taxes, Insurance, electricity, etc.		
Standard Bank Limited (note-24)	429,747,049	360,476,918
Standard Exchange Co.(UK) Ltd.	4,928,940	6,435,645
Standard Express(USA) Ltd.	24,061,588	19,572,732
SBL Capital Mgt. Ltd.	1,873,875	1,782,910
SBL Securities Ltd.	1,826,175	1,607,059
	462,437,627	389,875,264
25. Legal expenses		
Legal fees & charges	7,537,446	3,320,768
Stamp & notary public expenses	3,265,703	-
	10,803,149	3,320,768
25(a) Consolidated Legal expenses.		
Standard Bank Limited (note-25)	10,803,149	3,320,768
Standard Exchange Co.(UK) Ltd.	2,032,964	40,127
Standard Express(USA) Ltd.	3,578,459	3,136,541
SBL Capital Mgt. Ltd.	180,550	235,475
SBL Securities Ltd.	162,150	28,750
	16,757,272	6,761,661
26. Postage, Stamps, Telecommunication etc.		
Postage	12,846,094	11,526,910
Telegram, telex, fax and e-mail	78,977	128,801
Telephone, Mobile (office & residence)	7,871,173	7,480,800
SWIFT /Reuters charges	7,900,539	7,268,714
	28,696,783	26,405,225

	Amount in Taka	
	31.12.2016	31.12.2015
27. Stationery, Printing, Advertisement etc.		
Printing stationery	7,325,523	6,518,024
Security stationery	3,131,276	2,480,094
Petty stationery	7,617,029	6,396,567
Computer stationery	10,467,324	9,379,369
Publicity and advertisement	29,613,225	23,516,671
	58,154,377	48,290,725
27(a) Consolidated Stationery, Printing, Advertisement etc.		
Standard Bank Limited (note-27)	58,154,377	48,290,725
Standard Exchange Co.(UK) Ltd.	272,106	496,655
Standard Express(USA) Ltd.	3,210,669	3,514,568
SBL Capital Mgt. Ltd.	131,306	171,034
SBL Securities Ltd.	135,910	96,150
	61,904,368	52,569,132
28. Managing Director's salary and fees		
Basic salary	3,300,000	2,400,000
House rent allowance	1,650,000	1,800,000
Medical Allowances	360,000	360,000
House maintenance & utility	1,065,000	1,260,000
Bonus	400,000	1,400,000
Leave Fare Compensation	900,000	1,200,000
	7,675,000	8,420,000
29. Directors fees & meeting expenses		
Directors fees	2,400,000	1,417,000
Travelling and haltag	2,926,572	3,071,343
Refreshment and dinner	1,849,772	1,386,157
	7,176,344	5,874,500
29(a) Consolidated Directors fees & meeting expenses		
Standard Bank Limited (note-29)	7,176,344	5,874,500
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	156,600	156,000
SBL Capital Mgt. Ltd.	803,948	465,234
SBL Securities Ltd.	1,005,651	534,220
	9,142,543	7,029,954
30. Audit fees		
	1,138,500	503,750
	1,138,500	503,750
30 (a) Consolidated Auditors fees		
Standard Bank Limited	1,138,500	503,750
Standard Exchange Co.(UK) Ltd.	227,783	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	57,500	37,625
SBL Securities Ltd.	57,500	28,750
	1,481,283	570,125
31. Charges on loan losses		
Loan-written off	-	199,748
Interest waived	40,000,000	40,000,000
	40,000,000	40,199,748

	Amount in Taka	
	31.12.2016	31.12.2015
31(a). Consolidated charges on loan losses		
Standard Bank Limited	40,000,000	40,199,748
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	1,071,742	-
SBL Securities Ltd.	-	-
	41,071,742	40,199,748
32. Depreciation and repair of Banks assets		
Depreciation on Fixed Assets		
Building	11,686,704	12,072,053
Furniture & fixture	36,761,209	32,227,051
Office appliance & equipment	39,101,448	37,157,798
Computer	17,600,405	15,597,482
Software	9,912,370	8,356,762
Motor vehicle	8,310,494	6,661,908
	123,372,630	112,073,054
Repair, Renovation & Maintenance of Bank's Assets		
Office furniture	548,919	500,473
Office appliance & equipment	8,390,926	5,824,152
Computer & Software	20,068,872	19,574,293
Motor vehicle	15,961,290	9,402,428
	44,970,007	35,301,346
	168,342,637	147,374,400
Total		
32(a) Consolidated depreciation and repair of Banks assets		
Standard Bank Limited (note-32)	168,342,637	147,374,400
Standard Exchange Co.(UK) Ltd.	1,090,606	1,135,473
Standard Express(USA) Ltd.	4,410,092	4,399,305
SBL Capital Mgt. Ltd.	376,359	425,683
SBL Securities Ltd.	1,068,478	1,132,741
	175,288,172	154,467,601
33. OTHER EXPENSES		
Entertainment (office)	14,756,748	11,367,899
Donation & subscription	70,118,980	23,541,300
Travelling	10,537,029	8,850,585
Anniversary	3,357,553	4,713,104
Branch /Subsidiary company opening expenses	4,027,029	1,118,261
Training and seminar expenses	5,945,669	4,550,174
Newspaper and periodicals	1,049,383	909,626
Petrol, oil and lubricants	28,964,336	23,893,758
Car expenses	29,426,218	24,311,673
Photocopy expenses	3,272,174	2,562,248
Staff uniform and liveries	1,724,455	1,483,589
Cleaning and washing	1,692,705	1,081,834
Premises up keeping	3,668,753	3,903,336
Local conveyance	5,515,504	5,140,997
Business development	5,381,418	1,157,362
Freight and cartage	177,412	214,441
Cook and servant	392,700	361,500
Annual General Meeting	8,339,563	4,703,014

	Amount in Taka	
	31.12.2016	31.12.2015
Bank charges and commission paid	4,645,316	3,344,683
Loss on sale of Assets	343,176	-
On Line (ABB) expenses	282,387	300,637
Managers Conference exp	7,201,329	3,149,007
Performance award	625,000	600,000
SBL welfare fund	10,846,234	10,284,282
Generator expenses	9,038,768	7,069,010
Connectivity fees	21,846,822	19,647,655
CDBL Charges	422,313	360,040
Visa Card Process charges	1,872,777	1,415,737
Dhaka Stock Exchange	2,482,026	1,482,971
Chittagong Stock Exchange	2,457,026	1,482,971
Membership fee to Central Shariah Board	500,000	600,000
Calender ,dairy & greeting cards etc	22,804,615	18,399,261
Green Banking	2,500,000	2,000,000
SBL Foundation	30,000,000	30,000,000
NPSB settlement expenses	398,880	316,970
Discomfort Allowances	2,486,282	1,402,250
Security Service-Out Sourcing	21,597,731	5,204,659
Subordinated Bond Issue Expenses	11,437,226	1,000,000
Miscellaneous	1,730,440	1,616,072
	353,865,977	233,540,907
Expenses included VAT on which applicable		
33(a) Consolidated other expenses		
Standard Bank Limited (note-33)	353,865,977	233,540,907
Standard Exchange Co.(UK) Ltd.	7,799,007	21,103,010
Standard Express(USA) Ltd.	12,703,975	13,453,309
SBL Capital Mgt. Ltd.	2,104,436	1,902,842
SBL Securities Ltd.	2,984,899	3,328,497
	379,458,294	273,328,565
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	701,701,606	450,946,471
Provision for SMA loans and advances/investments	1,195,491	101,400
Provision for unclassified loans & advances/Investments	125,221,286	31,917,246
Provision for off balance sheet exposure	42,905,109	19,448,405
Provision for other assets	-	11,892,799
Provision for diminution in value of investments(34.1)	-	-
	871,023,493	514,306,320
34.1 Provision for diminution in value of investments		
Dealing Securities		
Quoted	-	-
Unquoted	-	-
Investment Securities		
Quoted	-	-
Unquoted	-	-
	-	-
	871,023,493	514,306,320

Amount in Taka	
31.12.2016	31.12.2015

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.

SBL Securities Ltd.

Investment Securities

Standard Bank Limited (note-34.1)

Standard Exchange Co.(UK) Ltd.

Standard Express(USA) Ltd.

SBL Capital Mgt. Ltd.

SBL Securities Ltd.

-	-
-	-
-	-
-	-
-	-
33,974,207	71,258,892
-	-
-	-
-	-
29,891,354	63,525,018
4,082,853	7,733,874
33,974,207	71,258,892

34. (a) Consolidated Provision for loans/Investments, off balance sheet exposure & other assets

*Provision for bad and doubtful loans and advances/investments-SBL

Provision for SMA loans and advances/investments-SBL

Provision for unclassified loans & advances/Investments -SBL

Provision for off balance sheet exposure-SBL

Provision for diminution in value of investments (SCML & SBSL)

Provision for impairment of client margin loan (SCML & SBSL)

Provision for others (SBL)

701,701,606	450,946,471
1,195,491	101,400
125,221,286	31,917,246
42,905,109	19,448,405
33,974,207	71,258,892
94,434,142	50,936,292
-	21,174,274
999,431,842	645,782,979

*provision maintained as per approval of Bangladesh Bank vide their letter no DBI-1/111/2017/1156 dated 15.03.2017

35 Tax expenses

Current tax

Deferred tax

1,056,577,348	940,243,553
8,496,588	6,486,438
1,065,073,936	946,729,991

35(a) Consolidated tax expenses**Current tax**

Standard Bank Limited (note-35)

Standard Exchange Co.(UK) Ltd.

Standard Express(USA) Ltd.

SBL Capital Mgt. Ltd.

SBL Securities Ltd.

1,056,577,348	940,243,553
-	-
-	-
57,686,497	72,162,636
13,220,198	13,785,033
1,127,484,043	1,026,191,222

Deferred tax

Standard Bank Limited (note-35)

Standard Exchange Co.(UK) Ltd.

Standard Express(USA) Ltd.

SBL Capital Mgt. Ltd.

SBL Securities Ltd.

8,496,588	6,486,438
-	-
-	-
-	-
-	-
8,496,588	6,486,438

Total

1,135,980,631	1,032,677,660
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36 Earning Per Share (EPS)

Net profit after tax

Number of Ordinary Share

Earning Per Share *

1,043,557,151	1,421,013,347
754,101,902	754,101,902
1.38	1.88

* 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.

	Amount in Taka	
	31.12.2016	31.12.2015
36(a) Consolidated Earning Per Share (EPS)		
Net profit after tax	1,088,202,652	1,596,425,237
Number of Ordinary Share	754,101,902	754,101,902
Earning Per Share *	1.44	2.12

* 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	50,315,646	44,529,568
Postage charge recoveries	18,898,789	16,332,674
Service charges	79,040,174	82,295,438
FCC recoveries	1,300	1,000
Rebate on nostro a/c	43,697,856	31,494,010
Handling charges on EDF	23,524,646	27,442,653
Locker charges	747,121	801,000
LC advising charges	146,650	150,113
Loan processing/documentation fees	19,020,245	21,339,345
Service charges agst CIB/Clearing return	1,278,626	1,520,308
Debit / VISA Card Fees	19,571,484	21,448,061
Stationery Charge Recovery	1,050,322	1,777,727
Handling Charge On Import Lc	896,768	816,424
Handling Charge On Export Lc	11,254,777	8,669,178
Earning on Treasury FEX	2,861,521	2,309,080
NPSB Settlement Income	1,871,892	1,112,796
Miscellaneous earnings	14,927,209	11,682,956
Capital Gain on Government Securities	293,184,370	380,198,031
Revaluation Gain/(loss) on Government Securities	-	(15,908,896)
	582,289,396	638,011,465

37(a) Consolidated Received from other operating activities

Standard Bank Limited (note-35)	582,289,396	638,011,465
Standard Exchange Co.(UK) Ltd.	1,100,951	2,361,747
Standard Express(USA) Ltd.	48,061	54,471
SBL Capital Mgt. Ltd.	1,325,200	1,333,075
SBL Securities Ltd.	161,785	130,651
	584,925,393	641,891,409

38 Payments for other operating activities

Rent, Taxes, Insurance, Electricity etc.	429,747,049	360,476,918
Legal Expenses	10,803,149	3,320,768
Postage, Stamp, Telecommunication etc.	28,696,783	26,405,225
Directors' Fee & Other benefits	7,176,344	5,874,500
Audit Fees	1,138,500	503,750
Charges on loan losses	40,000,000	40,199,748
Repair of Bank's assets	44,970,007	147,374,400
Other Expenses	353,865,977	238,129,914
	916,397,809	822,285,223

	Amount in Taka	
	31.12.2016	31.12.2015
38(a) Consolidated Payments for other operating activities		
Standard Bank Limited (note-38)	916,397,809	822,285,223
Standard Exchange Co.(UK) Ltd.	16,205,529	10,361,694
Standard Express(USA) Ltd.	36,629,402	15,752,787
SBL Capital Mgt. Ltd.	4,718,286	5,053,641
SBL Securities Ltd.	6,481,700	6,363,289
	980,432,727	859,816,634
39 Changes in other assets		
Stock of stationery	(2,910,114)	4,539,357
Stamps in hand	(873,388)	(797,581)
Suspenses A/c	(224,814,746)	(61,152,920)
Advance deposit	175,132	(27,524)
Branch adjustments accounts	(136,792,870)	7,342,223
Advance rent	(1,301,649)	(144,817,006)
Prepaid expenses	(1,041,222)	(33,094,648)
Protested Bill Account	-	(11,892,799)
Excise Duty adjustment on FDR	(6,173,020)	(5,346,240)
Repo adjustment	-	1,971,053
Gratuity Adjustment	-	-
Receivable from Obu	-	(4,292,198)
Interest Waived	(30,129,672)	-
Advance for Land & Building purchase	-	-
Clearing Adjustment	3,047,987	(2,721,666)
	(400,813,562)	(250,289,949)
39(a) Consolidated Changes in other assets		
Standard Bank Limited (note37)	400,813,562	250,289,949
Standard Exchange Co.(UK) Ltd.	3,893,733	11,476,417
Standard Express(USA) Ltd.	(1,482,508)	(1,710,179)
SBL Capital Mgt. Ltd.	53,155,206	(12,119,504)
SBL Securities Ltd.	(8,268,423)	(36,206,923)
	448,111,570	211,729,760
40 Changes in other liabilities		
Accrued Expenses	12,725,720	(4,589,007)
Standard Exchange UK	(2,611,552)	4,866,447
Interest suspenses account	(15,133,348)	64,277,429
Provision for bonus	(50,519,623)	15,000,000
Islamic Settlement Account	-	(6,037,193)
Profit receivable	(11,270,825)	1,884,221
Provision for LFC	3,024,553	1,388,039
SBL Foundation	-	10,000,000
Provision for Green Banking	-	2,000,000
Provision for unforeseen losses	2,000,000	2,041,283
Dividend Settlement A/C	25,830	-
Payable to OBU	32,733	-
Interest waived	(7,075,225)	9,275,225
Foreign Currency translation gains	(5,501,483)	(1,072,387)
	(74,303,220)	99,034,057

	Amount in Taka	
	31.12.2016	31.12.2015
40(a) Consolidated Changes in other liabilities		
Standard Bank Limited (note-38)	(74,303,220)	99,034,057
Standard Exchange Co.(UK) Ltd.	3,551,251	7,259,617
Standard Express(USA) Ltd.	(6,257,132)	(8,077,118)
SBL Capital Mgt. Ltd.	295,926,196	703,382,596
SBL Securities Ltd.	22,937,539	22,985,040
	241,854,634	824,584,192

41 Expenditure Incurred for employees

Number of employees at 31 December 2016 was 1992 (2015: 1604) 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.7,500.

42 Disclosure on Audit committee

The Audit Committee comprised of

SL. No.	Particulars	Status with Bank	Status with Committee	Educational Qualification
1	Mr. S.S. Nizamuddin Ahmed	Independent Director	Chairman	M.Com
2	Mr. Kamal Mostafa Chowdhury	Director	Member	B. A.
3	Mr. Md. Zahedul Hoque	Director	Member	MBA
4	Mr. Md. Iftikhar -Uz-Zaman	Director	Member	M.Sc. In Statistics
5	Mr. Najmul Huq Chaudhury	Independent Director	Member	B.Com
6	Md. Ali Reza	CFO and Acting Company Secretary	Acting Member Secretary	MBA ,FCMA

During 31.12.2016, the Audit Committee discharged the following responsibilities:

- Reviewed the Company's draft financial statements for the Period ended 31st December 2015, 31st March 2016 & June 30, 2016 and 30 September, 2016 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 2016 and Internal Control & Compliance guidelines / policy of the Bank.
- Reviewed annual assessment of the performance of internal audit and inspection activities.
- Recommended audit findings placed before the Board of Directors.
- Reviewed the Comprehensive Inspection Report of Bangladesh Bank along with the reply of SBL there on and recommended the same for placing before the Board of Directors meeting for approval for onward submission to Bangladesh Bank.

The Audit Committee of the Board of Directors met 7(Seven) times during the Period 2016. On invitation, Managing Director, Deputy Managing Director and Chief Financial Officer (CFO) attended the meetings to meet queries of the Committee and take directives for improvement. The decision and directives of the Audit Committee were being complied to upgrade operational efficiency of the organization.

43 Related Party Disclosures

i) Particulars of Directors of the Bank as on 31 December 2016

SL. No.	Name of the Persons	Designation	Present Address	% of Shares as on 31.12.2016
1	Mr. Kazi Akram Uddin Ahmed	Chairman	House No.73, Road No.6, O.R. Nizam Road R/A, Chittagong	2.35%
2	Mr. S. A. M Hossain	Vice Chairman	Victor Electronics, 400 Bipani Bitan (3rd Floor), Chittagong-4000	2.72%
3	Mr. Kamal Mostafa Chowdhury	Director	"Bedura House" 72, Bangshal Road, Firingi Bazar, Chittagong-4000	2.41%
4	Mr. Ashok Kumar Shaha	Director	29/B Ghatforhadbeg, Chittagong	2.01%
5	Mr. Ferozur Rahman	Director	My Heart, 8/10 Sukrabad, Dhaka-1209	2.07%
6	Mr. Md. Monzurul Alam	Director	218,DT Road , Dewanhat, Chittagong-4000	2.00%
7	Mr. Mohammed Abdul Aziz	Director	168, Fakirapool, Motijheel, Dhaka-1000	2.83%
8	Al-Haj Mohammed Shamsul Alam	Director	Radiovision, 398, Bipani Bitan Chittagong-4000	2.57%
9	Mr. Gulzar Ahmed	Director	New Apan Jewelers 65, Gulshan Avenue, Suvastu Imam Square(GF), Gulshan 1, Dhaka-1212	2.00%
10	Mr. Md. Zahedul Hoque	Director	284, Khatungonj Chittagong	2.28%
11	Al-Haj Mohd. Yousuf Chowdhury	Director	8/B, O.r. Nizam Road, Panclish R/A Panclish, Chittagong-4000	2.00%
12	Investment Corporation of Bangladesh, represented by its Managing Director Mr. Md. Iftikhar-Uz-zaman	Managing Director, Investment Corporation of Bangladesh	Head Office 8 Rajuk Avenue (14th Floor) Dhaka	4.95%
13	Mr. S. S. Nizamuddin Ahmed	Independent Director	House # 1, Road # 2/A, (Banani Chairman Bari), Banani, Dhaka.	0.03%
14	Mr. Najmul Huq Chaudhury	Independent Director	House # 232, Road # 9, Block #B, Chandgaon, CDA R/A, Chittagong.	Nil
15	Mr. 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, 2016 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 Events after the Balance Sheet date

The Board of Directors in its 270th meetings decided to recommend payment of 5% stock dividend and 5% cash dividend for the year 2016. The total amount of dividend is Taka. 754,101,900.

Standard Bank Limited

Balance with other Bank-Outside Bangladesh (Nostro Accounts)

As at 31 December, 2016

Name of the Bank	Currency Name	31.12.2016			31.12.2015			"Annexure -A"
		Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT	
Interest Bearing								
Habib American Bank Ltd., New York	USD	2,427,049.07	78.8000	191,251,466.72	944,102.37	78.5000	74,112,033.71	
Mashreq Bank Psc, New York	USD	1,302,915.93	78.8000	102,669,775.28	280,717.08	78.5000	22,036,290.70	
ICICI Bank Ltd., Mumbai, India	ACU(\$)	385,720.32	78.8000	30,394,761.22	22,674.50	78.5000	1,779,947.99	
Non Interest Bearing								
Standard Chartered Bank, New York	USD	739,577.09	78.8000	58,278,674.69	1,203,355.28	78.5000	94,463,391.81	
ICICI Bank Ltd., Hongkong	USD	746,651.89	78.8000	58,836,168.93	26,029.48	78.5000	2,043,314.21	
Sonali Bank (UK) LTD	USD	409,359.39	78.8000	32,257,519.93	119,096.13	78.5000	9,349,045.74	
AXIS Bank Limited, Mumbai, India	ACU(\$)	50,010.70	78.8000	3,940,843.16	10.70	78.5000	839.95	
A.B. Bank Ltd. Mumbai	ACU(\$)	44,390.02	78.8000	3,497,933.58	49,320.11	78.5000	3,871,628.64	
Standard Chartered Bank Ltd., Mumbai, India	ACU(\$)	726,231.29	78.8000	57,227,025.65	272,674.35	78.5000	21,404,936.97	
Nepal Bangladesh Bank Ltd., Kathmundu, Nepal	ACU(\$)	33,686.40	78.8000	2,654,488.32	86,351.40	78.5000	6,778,584.90	
NIB Bank Ltd., Karachi, Pakistan	ACU(\$)	-	78.8000	-	-	78.5000	-	
Habib Metropolitan Bank, Karachi, Pakistan	ACU(\$)	141,472.16	78.8000	11,148,006.21	163,033.55	78.5000	12,798,133.68	
Bhutan National Bank, Bhutan	ACU(\$)	960.70	78.8000	75,703.16	19,650.70	78.5000	1,542,579.95	
Standard Chartered Bank, Frankfurt, Germany	EURO	5,326.61	82.5984	439,969.46	76,465.78	86.1298	6,585,982.32	
Commerz Bank, Frankfurt, Germany	EURO	74,849.25	82.5984	6,182,428.29	21,443.58	86.1298	1,846,931.21	
Standard Chartered Bank Ltd., Tokyo	JPY	5,270,384.00	0.6786	3,576,219.06	3,539,455.00	0.6560	2,321,705.50	
Mashreq Bank, London, UK	GBP	252,373.43	96.7446	24,415,753.91	111,788.86	116.5885	13,033,289.90	
Sonali Bank (UK) LTD	GBP	13,992.15	96.7446	1,353,664.26	2,511.42	116.5885	292,802.98	
Saudi Hallandi Bank, KSA	SAR	149,987.00	21.0762	3,161,156.01	150,000.00	20.8324	3,124,851.50	
Bank Al-Jazira, KSA	SAR	150,000.00	21.0762	3,161,430.00	50,000.00	20.8324	1,041,617.50	
Westpac Banking Corporation Ltd.	AUD	31,383.04	57.6624	1,809,619.84	46,207.42	58.2428	2,691,247.21	
Total				596,332,607.68			281,119,156.36	

Standard Bank Limited

Fixed Assets including premises, furniture and fixtures

As at 31 December, 2016

"Annexure -B"

Description	Cost			Depreciation			Written down value at 31 December 2016
	Balance at 1st January 2016	Addition during the year	Adjustment for disposal	Balance at 31 December 2016	Addition during the year	Adjustment for disposal	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	2,370,861,325	-	-	2,370,861,325	-	-	2,370,861,325
Building	495,282,384	2,637,683	-	497,920,067	11,686,704	-	458,209,955
Furniture & Fixture	475,247,873	55,967,306	156,042	531,059,137	36,761,209	156,042	344,513,209
Office Appliances	354,751,205	45,535,112	1,946,186	398,340,131	39,101,448	1,946,186	167,187,203
Computer	157,611,284	20,995,502	-	178,606,786	17,600,405	-	78,172,703
Software	77,156,373	5,656,098	-	82,812,471	9,912,370	-	29,293,901
Bank Vehicle	65,855,534	39,911,470	17,091,450	88,675,554	8,310,494	17,091,450	43,115,816
Total 31.12.2016	3,996,765,978	170,703,171	19,193,678	4,148,275,471	123,372,630	19,193,678	3,491,354,112
Total 31.12.2015	3,842,655,438	158,863,539	4,753,000	3,996,765,978	112,073,054	4,753,000	3,444,023,570

Standard Bank Limited

Name of the Directors/Sponsors and the entities in which they have interest

As at 31 December, 2016

					"Annexure -C"
SL. No.	Name & Status with Bank	Address	Name of Firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor employee, etc.	Position	Percentage (%) of Holding / Interest in the concern
1	Mr. Kazi Akram Uddin Ahmed Chairman	House # 73, Road # 6, O.R. Nizam Road R/A, Chittagong.	The Eastern Engineering Works Ltd. Bright Steel Ware Rope MFG Co. Ltd. M/s. Kazi & Co.	Managing Director Managing Director Proprietor	64.00% 33.33% 100.00%
2	Mr. S. A. M. Hossain Vice Chairman	Victor Electronics 400 Bipani Bitan (3rd Floor), Chittagong.	Victor Electronics Samira Electronics Samira Trade Intl. Hotel Victory Ltd. Eastern Metal Ind. Chittagong Ltd.	Proprietor Proprietor Proprietor Chairman Chairman	100% 100% 100% 40% 12.50%
3	Mr. Kamal Mostafa Chowdhury Director	Bedura House 72, Bangshal Road Firingi Bazar Kotwali, Chittagong.	Raja Corporation Raja Securities Ltd. Holy Crescent Hospital Ltd. K. M. C. International	Proprietor Managing Director Director Proprietor	100.00% 14.29% 2.27% 100.00%
4	Mr. Ashok Kumar Saha Director	29/B, Ghatforhadbeg Chittagong	NG Saha Steel Inds. (Pvt.) Ltd. NGS Cement Inds Ltd NGS Steel Inds. Ltd. Uttam Oil Mills Ltd. A.K. Saha Steel Industries (Pvt.) Ltd.	Director Director Managing Director Managing Director Chairman	33% 33% 33% 33% 33%
5	Mr. Ferozur Rahman Director	My Heart 8/1, Sukrabad Mohammadpur, Dhaka.	Golden Dragon Ltd. Hotel Eram Intl. Ltd. Hotel Peacock M/s. Olio Enterprise Hotel Olio Dream Heaven	Director Director Director Proprietor Proprietor	15.34% 17.96% 65% 100% 100%
6	Mr. Md. Monzurul Alam Director	218, D.T. Road Dewanhat Chittagong.	Taher & Co. Ltd. Golden Brick Works Ltd. Golden Steel Alloy Works Ltd. Al-Haj Mostafa Hakim- Housing & Real Estate Ltd. Golden Oxygen Ltd. Al-haj Mostafa Hakim Cement Ind. Ltd. Golden Iron Works Ltd. M/s. Monzur Alam Mutual Jute Spinner Ltd. Mostafa Hakim Container Yard Ltd. Al-Haj Mostafa hakim Bricks Ltd. Eagle Star Textile Mills Ltd. H.M. Steel & Ind. Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Proprietor Managing Director Managing Director Managing Director Managing Director Managing Director Chairman	36714 shares 219725 shares 124163 shares 101000 shares 101000 shares 9500 shares 218525 shares 100% 4000 shares 5000 shares 5000 shares 303557 shares 10000 shares
7	Mr. Mohammed Abdul Aziz Director	168, Fakirapool Motijheel, Dhaka	Diamond Commercial Agency Ruma Products New Ruma Products Alim International Moonlux Composite Knit Garment Ltd.	Proprietor Proprietor Proprietor Proprietor Director	100% 100% 100% 100% 27%
8	Al-Haj Mohammed Shamsul Alam Director	M/s. Radio Vision 398, Bipani Bitan Chittagong.	M/S. Radio Vision M/S. Pam Complex Global Information Network M/S. A.B. Electronics M/S. G. Telecom M/S. G. Net Digital Communication Midas Financing Ltd.	Managing Director Managing Director Managing Director Managing Director Partner Partner Share Holder	50% 31.50% 50% 40% 33.33% 33.33%
9	Mr. Gulzar Ahmed Director	Apan Jewellers 65 Gulshan Avenue Suvastu Imam Square (Ground Floor) Gulshan - 1, Dhaka - 1212	New Apan Jewellers	Proprietor	100%

SL. No.	Name & Status with Bank	Address	Name of Firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor employee, etc.	Position	Percentage (%) of Holding / Interest in the concern	Remarks
10	Mr. Md. Zahedul Hoque Director	284/285, Khatungonj, Chittagong,	M/S Zahed Brothers M/S NLZ Fashion M/S NLZ Fashion Ltd. M/S. Noor Oil & Food Products Ltd. M/S. Arafat Ltd.	Proprietor Proprietor Managing Director Director Director	100% 100% 80% 100%	
11	Al-Haj Mohd. Yousuf Chowdhury Director	8/B, O. R. Nizam Road, Panchlaish R/A., Chittagong	Hotel Royal Place Ltd. M/s. Lucky Traders M/s Lucky International Royal Tower Central Insurance Ltd.	Chairman Proprietor Proprietor Proprietor Director	100% 100% 100% 100%	
12	Investment Corporation of Bangladesh, representing by Managing Director Mr. Md. Iftikhar-Uz-Zaman Director	Head Office, Investment Corpora- tion of Bangladesh (ICB) 8, Rajuk Avenue (14th Floor), Dhaka.			Not Applicable	
13	Mr. S. S. Nizamuddin Ahmed Independent Director	House # 1, Road # 2/A (Banani Chairman Bari) Banani, Dhaka			Not Applicable	
14	Mr. Najmul Huq Chaudhury Independent Director	House # 232, Road # 9 Block # B, Chandgaon CDA R/A, Chittagong			Not Applicable	
15	Mr. Mamun-Ur-Rashid Managing Director & CEO,	Chamber Building (3rd floor) 122-124, Motijheel C/A, Dhaka - 1000.,			Not Applicable	

Standard Bank Limited

Statement of loans to our Bank Directors

As at 31 December, 2016

“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	8.46	UC	Regular
2	Mr. S. A. M Hossain	Vice Chairman	M/s. Samira Trade International.	CC (Hypo)	660.00	410.70	UC	Regular
3	Mr. Kamal Mostafa Chowdhury	Director	M/s. Raja Corporation.	SOD (General)	680.00	NIL	UC	Regular
4	Mr. Ashok Kumar Saha	Director	Mr. Ashok Kumar Saha	SOD (General)	500.00	499.02	UC	Regular
			Mr. Ashok Kumar Saha	SOD (General)	125.00	128.56	UC	Regular
			Mr. Ashok Kumar Saha	SOD (General)	90.00	90.27	UC	Regular
			NGS Steel Ind. Ltd.	Bank Guarantee	1.07	1.07	UC	Regular
			NG Shaha Steel Ind. Pvt. Ltd.	Bank Guarantee	1.30	1.30	UC	Regular
5	Mr. Ferozur Rahman	Director	M/s. Olio Enterprise	SOD (General)	625.00	4.03	UC	Regular
6	Mr. Md. Monzurul Alam	Director	M/s. Monzurul Alam.	CC (Hypo)	570.00	1.65	UC	Regular
7	Mr. Mohammed Abdul Aziz	Director	M/s. Mohammed Abdul Aziz.	CC (Hypo)	89.00	0.11	UC	Regular
			M/s. Mohammed Abdul Aziz.	Letter of Credit	600.00	NIL	UC	Regular
			M/s. New Ruma Products	Letter of Credit	600.00	26.30	UC	Regular
			M/s. Alim International	Letter of Credit	600.00	11.90	UC	Regular
8	Mr. Alhaj Mohammed Shamsul Alam	Director	M/s. Radio Vision.	CC (Hypo)	524.00	410.40	UC	Regular
9	Mr. Md. Zahedul Haque	Director	M/s. N. L. Z. Fashion	CC (Hypo)	845.00	866.27	UC	Regular
10	Mr. Alhaj Mohd. Yousuf Chowdhury	Director	M/s. Lucky Traders.	CC (Hypo)	555.00	0.00	UC	Regular
Total					6,265.37	2,460.04		

Standard Bank Limited

Investment in shares of the Bank

As at 31 December, 2016

"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 31.12.2016	Total market as at 31.12.2016
Quoted:							
1	First Bangladesh Fixed Income Fund	10	20,411,852	150,000,000	7.35	6.00	122,471,112
1	Bangladesh Steel Re-Rolling Mills Ltd	10	521,052	18,000,000	34.55	127.60	66,486,235
2	The ACME Laboratories Ltd.	10	1,282	109,226	85.20	116.40	149,225
	Sub Total			168,109,226			189,106,572
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.			28,472,880			28,472,880
5	Standard Express(USA) Ltd.			109,620,000			109,620,000
6	SBL Capital Management Ltd.			1,499,950,000			1,499,950,000
7	Standard Bank Securities Ltd.			799,945,000			799,945,000
8	Preference Share Of Star Ceramics Ltd.			70,000,000			70,000,000
9	Raj Lanka Power Company Ltd			133,333,334			133,333,334
	Sub Total			2,805,872,563			2,805,872,563
	Total			2,973,981,789			2,994,979,135

Standard Bank Limited

Name of Directors and their Shareholdings

As at 31 December, 2016

"Annexure -F"

Sl. No.	Name of Directors	Status	Closing Share balance as on 31.12.2016	Closing Share balance as on 31.12.2015
1	Mr. Kazi Akram Uddin Ahmed	Chairman	1,77,56,964 Shares of Tk. 10/- Each Tk.17,75,69,640/-	1,54,40,839 Shares of Tk. 10/- Each Tk.15,44,08,390/-
2	Mr. S. A. M. Hossain	Vice Chairman	2,05,34,833 Shares of Tk. 10/- Each Tk. 20,53,48,330/-	1,78,56,377 Shares of Tk. 10/- Each Tk. 17,85,63,770/-
3	Mr. Kamal Mostafa Chowdhury	Director	1,81,93,124 Shares of Tk. 10/- Each Tk. 18,19,31,240/-	1,58,20,108 Shares of Tk. 10/- Each Tk. 15,82,01,080/-
4	Mr. Ashok Kumar Saha	Director	1,51,57,161 Shares of Tk. 10/- Each Tk. 15,15,71,610/-	1,31,80,140 Shares of Tk. 10/- Each Tk. 13,18,01,400/-
5	Mr. Ferozur Rahman	Director	1,56,25,146 Shares of Tk. 10/- Each Tk. 15,62,51,460/-	1,35,87,084 Shares of Tk. 10/- Each Tk. 13,58,70,840/-
6	Mr. Md. Monzurul Alam	Director	1,50,82,962 Shares of Tk. 10/- Each Tk. 15,08,29,620/-	1,31,15,620 Shares of Tk. 10/- Each Tk. 13,11,56,200/-
7	Mr. Mohammed Abdul Aziz	Director	2,13,44,951 Shares of Tk. 10/- Each Tk. 21,34,49,510/-	1,85,60,827 Shares of Tk. 10/- Each Tk. 18,56,08,270/-
8	Al-Haj Mohammed Shamsul Alam	Director	1,91,64,741 Shares of Tk. 10/- Each Tk. 19,16,47,410/-	1,70,99,775 Shares of Tk. 10/- Each Tk. 17,09,97,750/-
9	Mr. Gulzar Ahmed	Director	1,50,97,328 Shares of Tk. 10/- Each Tk. 15,09,73,280/-	1,31,28,112 Shares of Tk. 10/- Each Tk. 13,12,81,120/-
10	Mr. Md. Zahedul Hoque	Director	1,72,07,493 Shares of Tk. 10/- Each Tk. 17,20,74,930/-	1,49,63,038 Shares of Tk. 10/- Each Tk. 14,96,30,380/-
11	Al-Haj Mohd. Yousuf Chowdhury	Director	1,50,82,330 Shares of Tk. 10/- Each Tk. 15,08,23,300/-	1,31,15,071 Shares of Tk. 10/- Each Tk. 13,11,50,710/-
12	Investment Corporation of Bangladesh (ICB) represented by it's Managing Director Mr. Md. Iftikhar-Uz-Zaman	Director	3,72,99,543 Shares of Tk. 10/- Each Tk.37,29,95,430/-	1,69,75,716 Shares of Tk. 10/- Each Tk.16,97,57,160/-
13	Mr. S.S. Nizamuddin Ahmed	Independent Director	2,28,459 Shares of Tk. 10/- Each Tk. 22,84,590/-	1,98,660 Shares of Tk. 10/- Each Tk. 19,86,600/-
14	Mr. Najmul Huq Chaudhury	Independent Director	Nil	Nil
15	Mr. Mamun-Ur-Rashid	MD & Ex-Officio Director	Nil	Nil

Standard Bank Limited

Highlights

As at 31 December, 2016

Sl. No.	Particulars	31.12.2016	31.12.2015
1	Paid up capital	7,541,019,020	6,557,407,850
2	Total capital	13,772,545,994	14,246,087,782
3	Capital surplus/(deficit)	1,671,647,919	2,552,445,212
4	Total assets	152,789,207,443	132,321,063,288
5	Total deposits	122,553,831,487	106,931,731,987
6	Total loans and advances	105,039,085,020	91,486,624,608
7	Total contingent liabilities and commitments	33,486,606,391	29,196,095,476
8	Credit deposit ratio	85.71%	85.56%
9	Percentage of classified loans against total loans and advances	3.62%	3.23%
10	Profit after tax and provision	1,088,201,035	1,596,425,237
11	Amount of classified loans during the year	3,798,964,355	2,958,782,375
12	Provisions kept against classified loan	1,894,369,740	1,576,604,262
13	Provision surplus/(deficit)		
14	Cost of fund	8.52%	9.75%
15	Interest earning assets	127,971,762,730	110,940,335,843
16	Non-interest earning assets	24,817,444,712	21,380,727,445
17	Return on investment (ROI)	7.05%	9.83%
18	Return on assets (ROA)	0.76%	1.27%
19	Return on Equity (ROE)	8.66%	13.91%
20	Net Interest Margin (NIM)	2.78%	2.65%
21	Incomes from investment	1,573,697,558	1,891,335,401
22	Earning per share (Taka)	1.44	2.12
23	Price earning ratio (times)	8.25	4.35

ISLAMI BANKING WING FINANCIAL INFORMATION

Standard Bank Limited Islami Banking Wing

Balance Sheet

As at 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
PROPERTY AND ASSETS			
Cash	1	21,157,141	20,175,218
Cash In Hand (Including Foreign Currencies)		677,203	636,255
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)		20,479,938	19,538,963
Balance with other Banks and Financial Institutions	2	273,910,875	372,300,000
In Bangladesh		273,910,875	372,300,000
Outside Bangladesh		-	-
Investments in Shares and Securities	3	17,000,000	16,000,000
Government		17,000,000	16,000,000
Others		-	-
Investments	4	78,702,436	187,406,641
General Investment		78,702,436	187,406,641
Bills Purchased & Discounted		-	-
Fixed Assets Including Premises, Furniture & Fixtures	5	210,679	262,400
Other Assets	6	4,270,020	5,097,852
Non-Banking Assets		-	-
TOTAL ASSETS		395,251,151	601,242,111
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing From Banks & Other Financial Institutions			
Deposits and other Accounts:			
Current/Al-Wadeeah Deposits & Other Deposits	7	302,268,791	265,359,290
Bills Payable		8,252,610	15,717,286
Savings Bank/Mudaraba Savings Deposits		510,124	937,578
Short Term Deposits/ Mudaraba Short Term Deposits		23,497,815	21,077,525
Fixed Deposits/ Mudaraba Term Deposits	8	13,827,285	1,520,344
Diposits Under Schemes/ Mudaraba Deposit schemes		250,914,194	219,550,094
		5,266,763	6,556,463
OTHER LIABILITIES	9	91,257,995	334,912,405
TOTAL LIABILITIES		393,526,786	600,271,695
Capital / Shareholder's Equity			
Paid Up Capital		-	-
Statutory Reserve		-	-
General Reserve		-	-
Revaluation Reserve on Investment		-	-
Surplus In Profit and Loss Account/Retained Earnings		1,724,365	970,416
Total Shareholders' Equity		-	-
Total Liabilities and Shareholders' Equity		395,251,151	601,242,111

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
OFF-BALANCE SHEET EXPOSURE			
Contingent Liabilities			
Acceptance and Endorsements		-	-
Letters of Guarantee		14,607,500	13,102,000
Irrevocable Letter of Credit		-	-
Bills For Collection		-	-
Other Contingent Liabilities		-	-
		<u>14,607,500</u>	<u>13,102,000</u>
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		-	-
		<u>14,607,500</u>	<u>13,102,000</u>
TOTAL OFF-BALANCE SHEET ITEMS		<u>14,607,500</u>	<u>13,102,000</u>

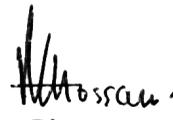
These financial statements should be read in conjunction with annexed notes



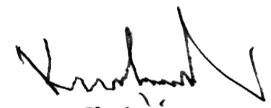
Managing Director



Director



Director



Chairman

See annexed auditors' report to the Shareholders of the date.



SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited Islami Banking Wing

Profit & Loss Account

For the year ended 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
Profit on General Investment	10	38,157,308	42,187,549
Profit Paid on Deposits & Borrowings etc.	11	18,067,726	21,351,426
Net Profit on Investment		20,089,582	20,836,123
Investment Income	12	88,642	18,867
Commission, Exchange Earnings and Brokerage	13	250,916	221,272
Other Operating Income	14	329,321	581,002
Total Operating Profit(A)		20,758,461	21,657,264
Salaries and Allowances	15	12,571,453	12,042,503
Rent, Taxes, Insurance, Electricity etc	16	466,701	300,304
Legal Expenses		-	-
Postage, Stamp, Telecommunication etc	17	34,283	64,507
Stationary, Printing, Advertisement etc	18	85,616	167,643
Directors' Fee & Other Benefits	19	150,010	116,633
Managing Director's Salary & Allowances		-	-
Audit Fees		-	-
Depreciation And Repair of Bank's Assets	20	464,521	825,030
Other Expenses	21	1,461,287	1,747,714
Total Operating Expenses(B)		15,233,871	15,264,334
Profit/(Loss) Before Provision C=(A-B)		5,524,590	6,392,930
Specific Provision		558,667	732,168
General Provision		903,376	2,005,928
Provision For Diminution In Value of Investments		-	-
Provision For Off-Balance Sheet Items		146,075	131,020
Total Provision(D)		1,608,118	2,869,116
Total Profit/(Loss) Before Taxes(E)=(C-D)		3,916,472	3,523,814
Provision for Tax expenses			
Current Tax	22	2,192,107	2,553,398
Deferred Tax		-	-
Net Profit/(Loss) after Taxation		1,724,365	970,416

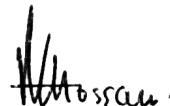
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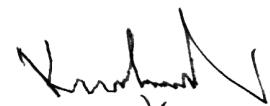
Managing Director



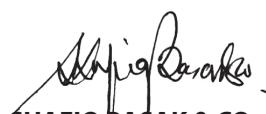
Director



Director



Chairman



SHAFIQ BASAK & CO.
Chartered Accountants

See annexed auditors' report to the Shareholders of the date.

Dated, Dhaka
March 22, 2017

Standard Bank Limited Islami Banking Wing

Selected Notes to the Balance Sheet and Profit & Loss Account

For the year ended 31 December, 2016

	Amount in Taka	
	31.12.2016	31.12.2015
1. Cash		
Cash In hand		
In Local Currency	677,203	636,255
In Foreign Currency	-	-
Sub Total	677,203	636,255
Balance with Bangladesh Bank (including foreign currency)		
In local Currency	20,479,938	19,538,963
In Foreign Currency	-	-
Sub Total	20,479,938	19,538,963
Total	21,157,141	20,175,218
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 6.00% on daily basis and 6.50% 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		
6.50% of average Demand and Time Liabilities		
Required reserve	19,866,700	18,640,510
Actual reserve held(average daily on bi-weekly basis)	20,479,938	19,538,963
Surplus	613,238	898,453
b) Statutory Liquidity Ratio (SLR) for Islamic Banking		
5.50% of required average Demand and Time Liabilities		
Required reserve	16,810,280	15,772,740
Actual reserve held	18,290,441	17,534,708
Surplus	1,480,161	1,761,968
Held for Statutory Liquidity Ratio of islamic Banking		
Cash in hand	677,203	636,255
Excess cash reserve	613,238	898,453
Government Securities(HTM)	17,000,000	16,000,000
Total	18,290,441	17,534,708
2 Balance with Other Banks & Financial Institutes		
Placement as MTDR(Mudaraba Term Deposit)		
Hajj Finance Company Ltd	258,910,875	273,700,000
Islamic Finance and Investment Ltd	15,000,000	98,600,000
Total	273,910,875	372,300,000
3 Investment in Shares & Securities		
Bangladesh Govt. Islami Investment Bond		
Tenure(Months)	Maturity Dt.	
6	01.03.2017	5,000,000
6	15.06.2017	12,000,000
		17,000,000
		16,000,000

	Amount in Taka	
	31.12.2016	31.12.2015
4 General Investment		
SME Bai Muajjal	1,078,005	1,640,406
Bai Muajjal & Bai Muajjal Term	39,870,091	147,160,035
HPSM(Hire Purchase Under Shirkatul Melk)	24,049,900	25,899,275
HPSM Staff Investment & Staff Car	4,394,902	4,685,925
Quard against MTDR/Schemes	9,309,538	8,021,000
Total	78,702,436	187,406,641
4.1 Classification of Investments		
Unclassified:	78,033,327	186,668,070
Standard including staff Investments	77,620,326	182,914,307
Special Mention Account (SMA)	413,001	3,753,763
Classified:	669,109	738,571
Sub standard	-	-
Doubtful	-	-
Bad/Loss	669,109	738,571
Total	78,702,436	187,406,641
5 Fixed Assets Including Premises, Furniture & Fixtures		
Furniture & Fixture	208,195	256,257
Office Appliances	2,484	6,143
Total	210,679	262,400
6 Other Assets		
Profit Receivable on MTDR With other FI	3,551,370	5,091,202
Excise Duty Adjustment(MTDR)	18,650	6,650
Deffered Expenditure	700,000	-
Total	4,270,020	5,097,852
7 Current/Al-Wadeah Deposits & other deposits		
Al-Wadiah Current Deposit	3,393,009	10,298,569
Sundry Deposit(Notes-7.1)	4,859,601	5,418,717
Total	8,252,610	15,717,286
7.1 Sundry deposits		
Sundry Creditors	795	4,636
Margin on letter of Guarantee	200,000	200,000
Profit payable on Mudaraba Deposits	4,326,193	4,809,311
VAT, Excise duty & Income Tax	332,613	404,770
Total	4,859,601	5,418,717
8 Mudaraba Term Deposits		
Client Deposit	250,914,194	219,550,094
Bank Deposit	-	-
Total	250,914,194	219,550,094
9 Other liabilities		
Conventional Settlerment A/C	84,945,572	315,827,025
Lfc payable	140,400	88,800
Profit receivable on SME Bai-Muajjal	107,777	213,205
Profit receivable on Bai-Muajjal	2,138,013	13,314,011
Compensation Suspense A/c	110,442	6,403
Accured Expenses	4,966	10,000
Bai-Murabaha Compensation Realizable A/c	10,600	30,447
Provision for Tax	2,192,107	2,553,398
Specific Provision	558,667	732,168
General Provision	903,376	2,005,928
Provision for Off-Balance Sheet Items	146,075	131,020
Total	91,257,995	334,912,405

	Amount in Taka	
	31.12.2016	31.12.2015
10 Profit received from Investment		
Profit on Investment	10,149,057	6,954,816
Rent on Investment	3,049,102	2,636,820
	13,198,159	9,591,636
Profit received from Other Banks & FIs		
Profit on MTDR with other FIs	24,959,149	32,595,913
	24,959,149	32,595,913
Total	38,157,308	42,187,549
11 Profit paid on Deposits, Borrowing etc		
Profit paid on Mudaraba Savings A/c.	534,759	555,909
Profit paid on Mudaraba Term Deposits	16,869,140	19,709,551
Profit paid on Mudaraba Special Notice Deposit	389,541	243,886
Profit paid on Mudaraba Deposits scheme	265,130	252,628
Profit paid on Mudaraba Hajj Savings Scheme	9,156	82,055
Profit paid on Mudaraba Bond Fund	-	507,397
Total	18,067,726	21,351,426
12 Profit on Investment against Islami Bond with other Banks/NBFI		
Profit on Islami Inv. Bond with B.Bank	88,642	18,867
Total	88,642	18,867
13 Commission, Exchange Earnings & Brokerage		
Commssion Earned- PO & Remittance etc	11,310	13,937
Exchange Gain	17,252	648
Handling Commission	14,000	51,877
LC Advising Commission(Local)	-	11,250
Bank Guarantee Commission	208,354	143,560
Total	250,916	221,272
14 Other Operating Income		
Account Service Charge	292,600	503,913
Postage Charges Recoveries	50	8,050
Stationary Charges Recoveries	7,175	7,935
Charges on Clearing	21,596	13,944
Miscellaneous Income	7,900	47,160
Total	329,321	581,002
15 Salaries & Allowances		
Basic salary	5,787,450	5,496,310
House Rent Allownce	2,893,725	2,748,155
Medical Allownce	888,000	874,134
Conveyance Allownce	588,000	464,133
House Maintenance & Utility	150,900	169,900
Leave Fare Compensation	271,200	272,540
Remuneration For Probationers	132,500	158,500
Bonus	1,004,650	959,200
Provident Fund(Bank Contribution)	578,745	549,631
Casual Wages	276,283	350,000
Total	12,571,453	12,042,503
16 Rent, Taxes, Insurance, Electricity etc		
Insurance(on Deposit)	188,365	175,254
Insurance(Vehicles)	14,873	-
Excise duty on MTDR with other Fin. Inst	244,500	113,500
Rates & Taxes	18,963	11,550
Total	466,701	300,304

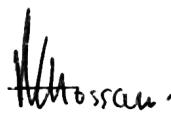
		Amount in Taka	
		31.12.2016	31.12.2015
17	Postage, Stamp, Telecommunication etc		
	Postage	273	192
	Stamp	407	-
	Telecommunication	33,603	64,315
	Total	34,283	64,507
18	Stationary, printing, advertisement etc		
	Supplies and Stationeries	42,648	124,599
	Publicity & advertisement	-	-
	Computer Stationary	42,968	43,044
	Total	85,616	167,643
19	Directors fees & meeting expenses		
	Directors fees	88,000	77,000
	Traveling and haltage	46,600	30,000
	Refreshment & dinner	15,410	9,633
	Total	150,010	116,633
20	Depreciation and repair of Bank's Assets		
	Depreciation on Furniture & Fixture and Office appliances	54,221	144,350
	Repair on Software & Hardware Maintenance	252,100	455,050
	Repair on Office appliance & equipment	-	45,450
	Repair on Motor Vehicle Maintenance	158,200	180,180
	Total	464,521	825,030
21	Other Expenses		
	Local Conveyance	16,395	11,004
	Traveling	16,900	34,650
	Entertainment (office)	36,340	11,615
	Car Expenses	499,992	704,675
	Fuel And Lubricants	360,000	350,000
	Discomfort Allowance	20,500	21,200
	Newspaper and periodicals	-	3,430
	Membership Don. To Central Shariah Board	500,000	600,000
	Miscellaneous	11,160	11,140
	Total	1,461,287	1,747,714
22	Current Tax		
	Base	31.12.2016	31.12.2015
	Profit on Investment	5,435,948	6,374,063
	Profit on Islami Bond	88,642	18,867
	Total	5,524,590	6,392,930
		2,174,379	2,549,625
		17,728	3,773
		2,192,107	2,553,398



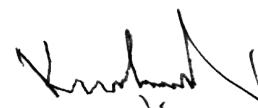
Managing Director



Director



Director



Chairman



SHAFIQ BASAK & CO.
Chartered Accountants

See annexed auditors' report to the Shareholders of the date.

Dated, Dhaka
March 22, 2017

Standard Bank Limited Islamic Banking Wing

Fixed Assests

As at 31 December, 2016

Description	Cost				Depreciation			"Annexure -1"	
	Balance at 1st January 2016	Addition during the year	Adjustment for disposal	Balance at 31st December 2016	Balance at 1st January 2016	Addition during the year	Adjustment for disposal	Balance at 31st December 2016	Written down value at 31st December 2016
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Furniture & Fixture	541,495	2,500	-	543,995	285,238	50,562	-	335,800	208,195
Office Appliances	7,178	-	-	7,178	1,035	3,659	-	4,694	2,484
Total 31.12.2016	548,673	2,500	-	551,173	286,273	54,221	-	340,494	210,679
Total 31.12.2015	548,673	-	-	548,673	139,920	146,353	-	286,273	262,400


Managing Director


Director


Director


Chairman

See annexed auditors' report to the Shareholders of the date.


SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
March 22, 2017

Standard Bank Limited Islami Banking Wing

MTDRs with other Banks/NBFIs

As at 31 December, 2016

"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	30.12.2016	19,000,000.00	7.50%	30.06.2017
2	Hajj Finance Company Limited, Principal Branch, Dhaka	0064	22.05.2011	22.11.2016	20,000,000.00	8.00%	22.05.2017
3	Hajj Finance Company Limited, Principal Branch, Dhaka	00823	25.09.2014	25.09.2016	25,000,000.00	8.50%	25.03.2017
4	Hajj Finance Company Limited, Principal Branch, Dhaka	00824	25.09.2014	25.09.2016	20,000,000.00	8.50%	25.03.2017
5	Hajj Finance Company Limited, Principal Branch, Dhaka	00841	29.10.2014	29.10.2016	30,000,000.00	8.25%	29.04.2017
6	Hajj Finance Company Limited, Principal Branch, Dhaka	00842	29.10.2014	29.10.2016	16,000,000.00	8.25%	29.04.2017
7	Hajj Finance Company Limited, Principal Branch, Dhaka	00862	08.12.2014	08.12.2016	51,897,500.00	7.50%	08.06.2017
8	Hajj Finance Company Limited, Principal Branch, Dhaka	00864	09.12.2014	09.12.2016	15,566,250.00	7.50%	09.06.2017
9	Hajj Finance Company Limited, Principal Branch, Dhaka	00938	25.03.2015	25.09.2016	3,800,000.00	8.50%	25.03.2017
10	Hajj Finance Company Limited, Principal Branch, Dhaka	01067	28.03.2016	28.09.2016	4,400,000.00	8.50%	28.03.2017
11	Hajj Finance Company Limited, Principal Branch, Dhaka	01083	01.11.2015	01.11.2016	9,000,000.00	8.25%	01.05.2017
12	Hajj Finance Company Limited, Principal Branch, Dhaka	01224	13.12.2015	13.12.2016	6,747,125.00	7.50%	13.06.2017
13	Hajj Finance Company Limited, Principal Branch, Dhaka	01620	17.11.2016		33,000,000.00	8.00%	17.05.2017
14	Hajj Finance Company Limited, Principal Branch, Dhaka	01642	27.11.2016		4,500,000.00	8.00%	27.05.2017
Sub Total					258,910,875.00		
1	Islamic Finance & Investment Limited, Principal Br, Dhaka	4975/314/13	13.11.2013	13.11.2016	5,000,000.00	7.00%	13.05.2017
2	Islamic Finance & Investment Limited, Principal Br, Dhaka	9387/462/16	13.07.2016		10,000,000.00	7.00%	13.01.2017
Sub Total					15,000,000.00		
Grand Total (16 MTDRs)					273,910,875.00		



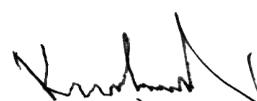
Managing Director



Director



Director



Chairman

See annexed auditors' report to the Shareholders of the date.


SHAFIQ BASAK & CO.
Chartered AccountantsDated, Dhaka
March 22, 2017

OFF-SHORE BANKING UNIT

Standard Bank Limited (Off-shore Banking Unit)

Statement of Financial Position

As on 31 December, 2016

Particulars	Notes	31.12.2016	
		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		132,762	10,461,639
In Bangladesh			
Outside Bangladesh	1	132,762	10,461,639
Investments in Shares and Securities		-	-
Government		-	-
Others		-	-
Investments		22,365,704	1,751,361,739
General Investment	2	1,580,492	122,630,379
Bills Purchased & Discounted	2.1	20,785,212	1,628,731,360
Fixed Assets Including Premises, Furniture & Fixtures			-
Other Assets			-
Non-Banking Assets		-	-
TOTAL ASSETS		22,498,466	1,761,823,378
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing From Banks & Other Financial Institutions			
Borrowing from SBL	3	12,242,151	957,728,265
Borrowing from FI Bank	3.1	10,256,315	804,095,112
Deposits and other Accounts:		-	-
Current Deposits & Other Deposits		-	-
Bills Payable		-	-
Savings Deposits		-	-
Short Term Deposits		-	-
Fixed Deposits		-	-
Diposits Under Schemes		-	-
OTHER LIABILITIES			
TOTAL LIABILITIES		22,498,466	1,761,823,378
Capital / Shareholder's Equity			
Paid Up Capital		-	-
Statutory Reserve		-	-
General Reserve		-	-
Revaluation Reserve on Investment		-	-
Surplus In Profit And Loss Account/Retained Earnings		-	-
Total Shareholders' Equity			
Total Liabilities And Shareholders' Equity		22,498,466	1,761,823,378

Particulars	Notes	31.12.2016	
		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		-	-



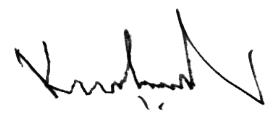
Managing Director



Director



Director



Chairman

Standard Bank Limited (Off-shore Banking Unit)

Statement of Financial Position

As on 31 December, 2016

Particulars	Notes	31.12.2016	
		USD	BDT
Profit on Investment	4	1,268,353	99,499,813
Profit Paid on Deposits & Borrowings etc.	5	(801,508)	(62,876,713)
Net Profit on Investment		466,845	36,623,100
Investment Income			
Commission, Exchange Earnings And Brokerage	6	35,552	2,788,984
Other Operating Income		-	-
Total Operating Profit(A)		502,397	39,412,084
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	7	550	43,146
Total Operating Expenses(B)		550	43,146
Profit/(Loss) Before Provision C=(A-B)		501,847	39,368,938
Specific Provision		-	-
General Provision		-	-
Provision For Diminution In Value of Investments		-	-
Provision For Off-Balance Sheet Items		-	-
Total Provision(D)		-	-
Total Profit/(Loss) Before Taxes(E)=(C-D)		-	-
Provision for Tax expenses		501,847	39,368,938
Current Tax		-	-
Deferred Tax		-	-
Net Profit/(Loss) after Taxation		501,847	39,368,938



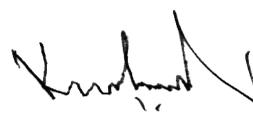
Managing Director



Director



Director



Chairman

Standard Bank Limited (Off-shore Banking Unit)

Statement of Financial Position

As on 31 December, 2016

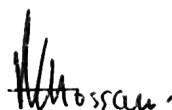
Sl. No.	Name of Securities	USD	BDT
1	Balance with Nostro Account (Habib American NY)	\$132,761.91	10,461,639.00
2	Term Loan	\$1,580,492.06	122,630,379.00
2.1	Foreign Bills Purchased & Discounted	\$20,785,212.31	1,255,473,598.00
2.2	Local Bills Purchased & Discounted	\$4,763,365.00	373,257,762.00
3	Borrowing from SBL	\$12,242,151.06	957,728,265.00
3.1	Borrowing from ICICI Bank UAE	\$10,256,315.22	804,095,112.00
4	Profit on Investment	\$1,268,353.31	99,499,812.78
4.1	Interest on Term Loan	\$31,126.30	2,441,796.79
4.2	Interest on Foreign Bill Purchased	\$1,173,506.58	92,059,274.09
4.3	Interest on Local Bill Purchased	\$63,668.76	4,994,688.51
4.14	Interest on Nostro Balance	\$51.67	4,053.41
5	Profit Paid on Deposits & Borrowings etc.	\$801,507.91	62,876,712.95
5.1	Intt paid on Borrowing fund from ICICI, UAE	\$269,494.14	20,795,551.14
5.2	Intt. paid on Borrowing fund from SBL	\$532,013.77	42,081,161.81
6	Commission, Exchange Earnings And Brokerage	\$35,552.00	2,788,984.20
6.1	Chages Earned by Swift	\$3,952.00	310,026.60
6.2	Rebate Received from Nostro	\$31,600.00	2,478,957.61
7	Maintaince Charge paid to Nostro Account (Habib American NY)	\$550.00	43,146.41



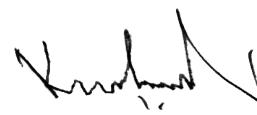
Managing Director



Director



Director



Chairman

STANDARD BANK SECURITIES LTD. FINANCIAL INFORMATION

Auditors' Report

To the Shareholders of

Standard Bank Securities Ltd.

We have audited the accompanying Financial Statements of Standard Bank Securities Ltd. which comprises the Statement of Financial Position as at 31st December, 2016 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Company Act 1994 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the Financial Statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the company as at 31st December, 2016 and their financial performance and cash flows for the year then ended, and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books.
- c) the statement of financial Position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred during the year were for the purposes of the company's business.

Dhaka,
February 22, 2017


SHAFIQ BASAK & CO.
Chartered Accountants

Standard Bank Securities Ltd.

Statement of Financial Position

As at 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
ASSETS:			
Non-Current Assets:			
Property, plant and equipment	4.00	6,127,820	5,925,418
Investment in Stock Exchange Membership	5.00	320,200,000	320,200,000
		326,327,820	326,125,418
Current Assets:			
Advances, deposits and prepayments	6.00	2,528,990	3,616,990
Advance income tax	7.00	35,431,070	44,373,525
Receivable from DSE	8.00	4,655,449	259,462
Other receivable	9.00	4,285,165	6,919,122
Margin loan to clients	10.00	159,050,818	114,831,495
Investment in shares	11.00	270,168,999	205,064,459
Cash and cash equivalents	12.00	150,625,168	258,826,392
		626,745,659	633,891,445
Total Assets:		953,073,479	960,016,863
EQUITY & LIABILITIES:			
Shareholders' Equity:			
Share capital	13.00	800,000,000	800,000,000
Retained earnings	14.00	37,260,799	35,746,718
		837,260,799	835,746,718
Current Liabilities:			
Payable to clients	15.00	43,005,943	8,213,964
Payable to DSE	16.00	9,651,666	6,071
Short term loan	17.00	-	50,549,627
Provision for expenses	18.00	240,828	211,320
Provision for diminution in value of Investment	19.00	17,266,747	13,183,894
Provision for Clients' margin loan	20.00	1,444,402	1,444,402
Provision for income Tax	21.00	44,203,094	50,660,867
		115,812,680	124,270,145
Total Equity and Liabilities		953,073,479	960,016,863
Net Asset Value (NAV) Per Share		10.47	10.45

The accompanying notes form an integral part of these financial statements.



Chief Executive Officer (Acting)



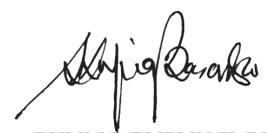
DIRECTOR



Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017



CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd.

Statement of Profit or Loss and Other Comprehensive Income

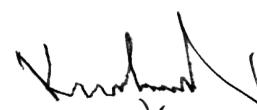
For the Year ended 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
A. Operating Income:		66,120,281	65,189,877
Brokerage commission		10,256,042	12,741,212
Income from Investment	22.00	27,581,696	11,924,091
Interest income	23.00	28,120,758	40,393,923
Other operating income	24.00	161,785	130,651
B. Less: Operating Expenses:		15,303,149	14,580,963
Direct Expenses	25.00	1,300,969	1,719,308
Administrative Expenses	26.00	13,826,062	12,211,854
Financial Expenses	27.00	176,118	649,801
C. Total Profit before Provision (A-B):		50,817,132	50,608,914
D. Provisions:		4,082,853	8,109,731
Provision for diminution in value of Investment	19.00	4,082,853	7,733,874
Provision for clients margin loan	20.00	-	375,857
E. Total Profit before Taxation (C-D):		46,734,279	42,499,183
Less: Provision for taxation	21.00	13,220,198	13,785,033
F. Net Profit after Tax (Transferred to retained earning)	14.00	33,514,081	28,714,150
G. Earnings Per Share (EPS):	28.00	0.42	0.36

The accompanying notes form an integral part of these financial statements.


Chief Executive Officer (Acting)


Director


Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd. Statement of Changes in Shareholder's Equity

For the Year ended 31 December, 2016

Particulars	Share capital	Retained earnings	Total BDT
Balance at 01.01.2016	800,000,000	35,746,718	835,746,718
Declaration of Dividend for the year 2015	-	(32,000,000)	(32,000,000)
	800,000,000	3,746,718	803,746,718
Net profit for the year	-	33,514,081	33,514,081
Balance at 31.12.2016	800,000,000	37,260,799	837,260,799

Standard Bank Securities Ltd. Statement of Changes in Shareholder's Equity

For the Year ended 31 December, 2016

Particulars	Share capital	Retained earnings	Total BDT
Balance at 01.01.2015	800,000,000	71,032,568	871,032,568
Declaration of Dividend for the year 2014	-	(64,000,000)	(64,000,000)
	800,000,000	7,032,568	807,032,568
Net profit for the year	-	28,714,150	28,714,150
Balance at 31.12.2015	800,000,000	35,746,718	835,746,718

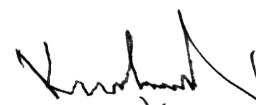
The accompanying notes form an integral part of these financial statements.



Chief Executive Officer (Acting)



Director



Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017



SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd.

Statement of Cash Flows

For the Year ended 31 December, 2016

Particulars	Amount in Taka	
	31.12.2016	31.12.2015
A. Cash Flow from Operating Activities		
Brokerage commission	10,256,042	12,741,212
Other operating income	161,785	130,651
Operating expenses	(14,272,351)	(13,493,523)
Interest income on bank deposits	8,653,200	24,583,971
Interest income on margin loan	19,467,558	15,809,952
Capital gain on investment in securities	9,535,437	7,704,091
Dividend on investment in securities	18,046,259	4,220,000
Advance income tax	(10,735,516)	(16,727,506)
Advances, deposits and prepayments	1,088,000	588,000
Operating assets	(45,981,353)	27,641,970
Operating liabilities	44,467,082	(26,496,042)
Net Cash flow from / (used in) Operating Activities	40,686,143	36,702,776
B. Cash Flow from Investing Activities		
Investment in Securities	(65,104,540)	(145,559,964)
Acquisition of property, plant and equipment	(1,233,200)	(368,340)
Net Cash flow from Investing Activities	(66,337,740)	(145,928,304)
C. Cash Flow from Financing Activities:		
Share Capital	-	-
Short Term Loan	(50,549,627)	50,549,627
Dividend Paid	(32,000,000)	(64,000,000)
Net Cash flow from Financing Activities	(82,549,627)	(13,450,373)
D. Net Cash Inflow/(Outflow) in Cash and Cash Equivalents (A+B+C)	(108,201,224)	(122,675,901)
E. Cash and Cash equivalents at beginning of the year	258,826,392	381,502,293
F. Cash and Cash Equivalents at end of the year (D+E)	150,625,168	258,826,392
G. Net Operating Cash Flow (NOCF) Per Share	0.51	0.46

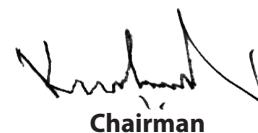
The accompanying notes form an integral part of these financial statements.



Chief Executive Officer (Acting)



Director



Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017



SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd.

Notes to the Financial statements

For the Year ended 31 December, 2016

1.00 Standard Bank Securities Limited a subsidiary company of Standard Bank Limited was incorporated as a public limited company in Bangladesh on 22 November 2012 under the Companies Act 1994 bearing certificate of Commence of Business no. C-105752/12 having its Head Office at 2. DIT Avenue, (Extn.), Motijheel Commercial Area, Dhaka 1000.

2.00 NATURE OF BUSINESS:

The main objectives of the Company is to carry on the business of Stock broker/ stock dealer and other related business in connection with the dealing of listed securities. Other objectives of the company are to buy, sell, hold or otherwise acquire or invest the capital of the company in shares, stocks and fixed income securities, etc. The company is the member of Dhaka Stock Exchange Limited.

3.00 SIGNIFICANT ACCOUNTING POLICIES:

3.01 Basis of presentation of financial statements:

The financial statements of the Company are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Bangladesh Securities and Exchange commission (BSEC) Rules 1987 and other applicable laws and regulations applicable in Bangladesh.

3.02 Components of Financial Statements:

Following are the components of these financial statements:

- (i) Statement of Financial Position
- (ii) Statement of 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:

Fixed assets are stated at cost less accumulated depreciation. Cost represents cost of acquisition that includes purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful life of such assets. Depreciation has been charged at the following rates on reducing balance from the date of acquisition.

Category of Assets:	Rate of Depreciation
Office equipment	20%
Office renovation & Decoration	10%
Furniture & Fixture	10%
Computer & Server	20%
Software	20%

3.04 Reporting Period:

These financial statements covers from 1st January 2016 to 31st December 2016 and followed consistently.

3.05 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash in hand and cash at Bank and Investment in FDR which are held and available for use by the company without any restriction and are readily convertible to a known amount of cash and that, are subject to an insignificant risk of change in value.

3.06 Investments:

Investment in Shares have been recognized at cost valued on aggregate basis. 20% provision for diminution in value of shares has been made as per BSEC guidelines on each quarter for the next five quarters starting from December 2016 and Stock dividend (Bonus Shares) are added with existing shares with at zero cost which results decrease in per unit cost price of the existing shares.

3.07 Advance, Deposits and Prepayments:

Advance are initially measured at cost. After initial recognition advance are carried at cost less deduction, adjustments or charges to the account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

3.08 Accounting for provisions:

The company recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

3.09 Provision for Taxation:

Current tax has been made on the basis of the Finance Act 2016. Income tax withheld from the transactions of traded securities in accordance with section 53BBB @ 0.05% is the final tax liability of the company under section 82C of Income Tax Ordinance (ITO) 1984.

3.10 Revenue recognition:

Revenue comprises of brokerage commission, Interest on margin loan, Interest on deposit & other income. Details of revenue recognition policy are given below:

- 1) Brokerage commission is recognized as income when selling or buying orders are executed.
- 2) Interest on margin loan recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respectable clients.
- 3) Capital gains/ (loss) are recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and is realized or loss incurred.
- 4) Cash dividend income is recognized on the declaration of dividend and subsequent receipt of such dividend.
- 5) Other income represents BO Account opening fees & IPO Application fee.

3.11 Margin loan to clients:

Standard Bank Securities Limited extends margin loan to the portfolio investors at an agreed ratio (between investors deposit and loan amount) of 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.

		Amount in Taka	
		31.12.2016	31.12.2015
4.00 PROPERTY, PLANT & EQUIPMENT:			
	This is made up as follows:		
	Opening balance	8,777,980	8,409,640
	Add : Additions during the year	1,233,200	368,340
	Closing balance (A)	10,011,180	8,777,980
	Depreciation :		
	Opening balance	2,852,562	1,765,122
	Add: Charges during the year	1,030,798	1,087,440
	Closing balance (B)	3,883,360	2,852,562
	Written down value (A-B)	6,127,820	5,925,418
	The details of the above balance have been Shown in (Annexure-1) .		
5.00 INVESTMENT IN STOCK EXCHANGE MEMBERSHIP:			
	This is as follows:		
	Dhaka Stock Exchange Ltd.	320,200,000	320,200,000
	Note :		
	Membership of Dhaka Stock Exchange Limited as shown above is based on purchasing cost. After demutualization DSE Allotted 72,15,106 number of ordinary shares (of which 43,29,064 shares blocked with DSE Demutualization Block Accounts) . The membership issue of DSE (At Cost) above will settle in due course getting future guidelines and advice from the regulator.		
6.00 ADVANCES, DEPOSITS AND PREPAYMENTS:			
	This is made up as follows:		
A. Advance:		2,324,000	3,412,000
	Office Rent (Head Office)	1,274,000	1,862,000
	Advance to Ada Soft Bangladesh	-	500,000
	Office Space at DSE Tower, Nikunja	1,050,000	1,050,000
B. Deposits:		204,990	204,990
	Central Depository Bangladesh Ltd (CDBL)	200,000	200,000
	BTCL	4,990	4,990
	Total (A+B) :	2,528,990	3,616,990
7.00 ADVANCE INCOME TAX:			
	This is made up as follows:		
	Opening balance	44,373,525	30,386,379
	Add: Advance paid During the year (Note 07.01)	8,627,044	13,987,146
		53,000,569	44,373,525
	Less : Adjustment for Assessment year 2013-14	17,569,499	-
	Total:	35,431,070	44,373,525
07.01 Advance income tax paid during the year			
	This is made up as follows:		
	AIT on Interest Income	1,165,944	2,567,173
	Advance Corporate Tax	3,923,748	11,167,993
	AIT on Dividend	3,537,352	251,980
	Total:	8,627,044	13,987,146

		Amount in Taka	
		31.12.2016	31.12.2015
8.00 RECEIVABLE FROM DSE:			
	This is made up as follows:		
	Stock Broker	4,627,820	259,462
	Stock Dealer	27,629	-
	Total:	4,655,449	259,462
9.00 OTHER RECEIVABLE:			
	This is made up as follows:		
	Accrued interest on FDR	906,165	3,899,622
	Dividend on Investment in shares	3,379,000	3,019,500
	Total:	4,285,165	6,919,122
10.00 MARGIN LOAN TO CLIENTS:			
	This is made up as follows:		
	Portfolio Margin Loan to Clients	159,050,818	114,831,495
	Total:	159,050,818	114,831,495
	Note :		
	The above amount represents loan entitled to clients for trading of shares on the secondary capital market in Bangladesh. Margin loans extended on ratio based on the equity invested by individual customers.		
11.00 INVESTMENT IN SHARES:			
	This is made up as follows:		
	Investment in quoted securities (Note:11.01)	270,168,999	205,064,459

11.01 This represents investment in quoted securities at a cost value. Details of investment in quoted securities as of 31 December 2016 are as under :

Sl. No.	Name of Securities	No.of Shares	Cost Value	Market Price	Un-realized Gain/(Loss)
1	ACIFORMULA	47,000	7,714,814	7,144,000	(570,814)
2	ACMELAB	30,000	3,013,315	2,970,000	(43,315)
3	AMCL(PRAN)	60,000	13,101,734	12,456,000	(645,734)
4	APEXTANRY	20,000	3,034,601	2,712,000	(322,601)
5	BARKAPOWER	315,000	9,534,422	9,670,500	136,078
6	BXPHERMA	35,000	2,825,277	2,828,000	2,723
7	DELTALIFE	80,000	12,616,272	8,048,000	(4,568,272)
8	EXIMBANK	300,000	3,441,879	3,510,000	68,121
9	GENNEXT	500,000	5,179,389	4,950,000	(229,389)
10	HEIDELBCEM	10,000	5,609,165	5,523,000	(86,165)
11	ICB	150,000	17,900,148	15,675,000	(2,225,148)
12	IFADAUTOS	1,600	130,845	160,320	29,475
13	IFILISLMF1	100,000	695,409	710,000	14,591
14	JAMUNAOIL	100,000	19,558,220	18,160,000	(1,398,220)
15	LAFSURCEML	720,000	74,014,356	59,112,000	(14,902,356)
16	MPETROLEUM	70,000	13,523,454	11,928,000	(1,595,454)
17	PTL	57,000	1,109,195	1,151,400	42,205
18	RENATA	13,500	14,953,736	14,654,250	(299,486)
19	SQRPHARMA	22,000	5,349,678	5,480,200	130,522
20	TITASGAS	250,000	12,734,667	12,350,000	(384,667)
21	TOSRIFA	75,000	1,581,058	1,537,500	(43,558)
22	UPGDCL	240,000	40,761,272	33,984,000	(6,777,272)
23	WMSHIPYARD	58,021	1,786,093	1,856,672	70,579
			270,168,999	236,570,842	(33,598,157)

Amount in Taka

31.12.2016

31.12.2015

12.00 CASH AND CASH EQUIVALENTS:

This is made up as follows:

Cash in hand

Investment in FDR with Standard Bank Ltd. **(Note:12.01)**Cash at Bank **(Note:12.02)****Total:**

-	-
82,720,609	204,050,000
67,904,559	54,776,392
150,625,168	258,826,392

12.01 Investment in FDR with Standard Bank Ltd:

This is made up as follows:

Sl. No.	FDR No.	A/c. No.
1	141335	255030200
2	141334	255030199
3	158844	255031807
4	158937	255031900
5	158938	255031901

Total

-	102,025,000
-	102,025,000
20,963,831	-
30,944,824	-
30,811,954	-
82,720,609	204,050,000

12.02 Cash at Bank:**This is made up as follows:**

	A/C No:
Standard Bank Ltd.	236001852
Standard Bank Ltd.	236001884
Al-Arafah Islami Bank Ltd.	21220004023
Al-Arafah Islami Bank Ltd.	21220004067
Al-Arafah Islami Bank Ltd.	21220004473

Total

5,797,914	3,022,886
2,101,055	1,664,679
52,865,703	28,242,965
578,897	21,813,768
6,560,990	32,094
67,904,559	54,776,392

13.00 SHARE CAPITAL:**13.1 Authorized**

200,000,000 ordinary shares of Taka 10 each

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**

Sl. No.	Name of shareholder	No.of Shares	Total Taka	% of Share Holding
1	Standard Bank Limited (Rep: Mr. Mamun Ur Rashid)	79,994,000	799,940,000	99.9928
2	Mr. Kazi Akramuddin Ahmed	500	5,000	0.0006
3	Al-haj Mohd. Yousuf Chowdhury	500	5,000	0.0006
4	Mr. S.A.M Hossain	500	5,000	0.0006
5	Mr. Ashok Kumar Saha	500	5,000	0.0006
6	Mr. Md. Zahedul Hoque	500	5,000	0.0006
7	Ms.Bedowra Ahmed Salam	500	5,000	0.0006
8	Mr.Tanveer Mostafa Chowdhury	500	5,000	0.0006
9	Mr. A.K.M Abdul Alim	500	5,000	0.0006
10	Mr. Azad Ahmed	500	5,000	0.0006
11	Mr. Mohammed Arif Chowdhury	500	5,000	0.0006
12	Mr. Jhahedul Alam	500	5,000	0.0006
13	ICB (Rep; Mr. Md. Iftikhar uz zaman)	500	5,000	0.0006
Total:		80,000,000	800,000,000	100.0000

		Amount in Taka	
		31.12.2016	31.12.2015
14.00 RETAINED EARNINGS:			
This is made up as follows:			
Opening balance		35,746,718	71,032,568
Less: Issuance of Dividend		32,000,000	64,000,000
		3,746,718	7,032,568
Add: Net profit for the year		33,514,081	28,714,150
Closing Balance:		37,260,799	35,746,718
15.00 PAYABLE TO CLIENTS:			
This is made up as follows:			
Other Clients		34,265,068	6,724,956
SBL Capital Management Ltd.		7,235,875	1,489,008
IPO Application Account		1,505,000	-
Total:		43,005,943	8,213,964
Note:	This represents clients' un-invested amount which is being held for buy of marketable securities or refund to the clients as per their instructions.		
16.00 PAYABLE TO DSE:			
This is made up as follows:			
Stock Broker		9,651,666	6,071
Stock Dealer		-	-
Total:		9,651,666	6,071
17.00 SHORT TERM LOAN:			
This is made up as follows:			
Opening Balance		50,549,627	-
Add: Addition during the year		-	50,549,627
		50,549,627	50,549,627
Less: Refund during the year		50,549,627	-
Closing Balance		-	50,549,627
Note:	The above loan was taken from Standard Bank Limited, Principal Branch at an Interest rate of 10% per annum Vide reference No. SBL/PB/CR/SOD(FO)/2015, dated November 22, 2015 which was paid during the year.		
18.00 PROVISION FOR EXPENSES:			
This is made up as follows:			
CDBL charges		20,371	39,731
Audit fee		50,000	25,000
LFC Payable		153,194	142,839
VAT Payable		7,500	3,750
Link3 Technologies Ltd.		4,313	-
Metronet BD Ltd.		2,000	-
Amber IT Ltd.		3,450	-
Total:		240,828	211,320
19.00 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT:			
This is made up as follows:			
Opening balance		13,183,894	5,450,020
Add: Provision made during year*		4,082,853	7,733,874
Total:		17,266,747	13,183,894

* As per Directives of Bangladesh Securities and Exchange Commission dated 28 December 2016 (Circular # SEC/CMRRCD/2009-193/196, the required provisions for the year 2016 on unrealized loss of dealer account can be kept 20% on each quarter for the next five quarters starting from December 2016.

		Amount in Taka	
		31.12.2016	31.12.2015
20.00 PROVISION FOR CLIENTS MARGIN LOAN:			
This is made up as follows:			
Opening balance		1,444,402	1,068,545
Add: Provision made during year		-	375,857
		1,444,402	1,444,402
No provision has been made for shortfall during the year as the existing provision in the account is higher than present shortfall.			
21.00 PROVISION FOR INCOME TAX :			
This is made up as follows:			
Opening balance		50,660,867	39,616,194
Add: Provision made during the year		13,220,198	13,785,033
		63,881,065	53,401,227
Less: Tax Deducted at Source on Turnover U/S 82C	Note: 21.01	2,108,472	2,740,360
		61,772,593	50,660,867
Less: Adjustment of Assessment year 2013-2014		17,569,499	-
		44,203,094	50,660,867
21.01	Tax deducted at source amounting to Tk. 2,108,472 U/S 82C has been adjusted with provision for Income Tax being final tax.		
22.00 INCOME FROM INVESTMENT:			
This is made up as follows:			
Capital gain on investment in securities		9,535,437	7,704,091
Dividend on investment in securities		18,046,259	4,220,000
Total:		27,581,696	11,924,091
23.00 INTEREST INCOME:			
This is made up as follows:			
Interest on bank deposit (Note- 23.01)		8,653,200	24,583,971
Interest income on margin loan		19,467,558	15,809,952
Total:		28,120,758	40,393,923
23.01 INTEREST ON BANK DEPOSIT:			
This is made up as follows:			
SND account on Standard Bank Limited		225,017	320,878
SND account on Al Arafah Islami Bank Ltd.		2,410,525	2,461,158
FDR with Standard Bank Limited		6,017,658	21,801,935
Total:		8,653,200	24,583,971
24.00 OTHER OPERATING INCOME			
This is made up as follows:			
BO account fee		33,900	44,058
Yearly BO maintenance fee		101,050	64,300
IPO Application fee		26,835	22,293
Total:		161,785	130,651

	Amount in Taka	
	31.12.2016	31.12.2015
25.00 DIRECT EXPENSES:		
This is made up as follows:		
Laga charges	1,046,921	1,370,144
Hawla charges	400	350
CDBL charges	253,648	348,814
Total:	1,300,969	1,719,308
This represents Hawla and Laga charges paid to DSE for the transaction of traded securities. Laga is paid based on turnover at applicable rate prescribed by DSE. CDBL Charge paid against CDS charge to CDBL.		
26.00 ADMINISTRATIVE EXPENSES:		
This is made up as follows:		
Salary and Allowances (Note:26.01)	7,758,298	7,520,007
Rent, Taxes, Insurance, Electricity etc. (Note:26.02)	1,826,175	1,607,059
Board Meeting Expenses (Note:26.03)	1,005,651	534,220
Stationery, Printing, Advertisements etc. (Note:26.04)	135,910	96,150
Audit & Consultancy fees (Note:26.05)	219,650	57,500
Postage, Stamp, Telecommunication etc. (Note:26.06)	304,088	304,789
Repair and Maintenance (Note:26.07)	37,680	45,301
Registration & Renewal fees (Note:26.08)	226,450	136,010
Depreciation on Fixed Assets (Note:26.09)	1,030,798	1,087,440
Other Expenses (Note:26.10)	1,281,362	823,378
Total:	13,826,062	12,211,854
26.01 SALARIES AND ALLOWANCES:		
This is made up as follows:		
Basic salary	3,655,374	3,556,240
House rent allowance	1,827,688	1,778,120
Conveyance allowance	195,064	321,871
Medical allowance	447,322	465,697
House maintenance	88,200	68,400
Leave fare compensation (LFC)	147,155	142,839
Washing allowance	1,000	7,500
Company's contribution to provident fund	365,537	355,624
Casual wages	412,258	221,966
Festival bonus	618,700	601,750
Total:	7,758,298	7,520,007
26.02 RENT, TAXES, INSURANCE, ELECTRICITY ETC:		
This is made up as follows:		
Office Rent	1,433,936	1,281,840
Sharing of Infrastructure charge	120,000	120,000
WASA charge	30,050	28,092
Lift charge	30,000	30,000
Electricity bill	148,201	147,127
Insurance Premium of Motor Vehicle	63,988	-
Total:	1,826,175	1,607,059

	Amount in Taka	
	31.12.2016	31.12.2015
26.03 BOARD MEETING EXPENSES:		
This is made up as follows:		
Director's Honorarium	386,400	211,600
Director's Traveling Expenses	348,748	209,975
Lunch & Refreshment and Misc. exp.	270,503	112,645
Total:	1,005,651	534,220
26.04 STATIONERY, PRINTING, ADVERTISEMENTS ETC:		
This is made up as follows:		
Printing and stationery	78,325	61,050
Computer accessories	35,365	10,350
Advertisement & publicity	19,320	19,320
Cutleries & Cookeries	2,900	5,430
Total:	135,910	96,150
26.05 AUDIT & CONSULTANCY FEES:		
This is made up as follows:		
Audit fees	57,500	28,750
Legal & Professional fees	162,150	28,750
Total:	219,650	57,500
26.06 POSTAGE, STAMPS, TELECOMMUNICATION ETC :		
This is made up as follows:		
Wan Connectivity charges	193,113	185,900
Telephone, fax and dish expenses	23,300	25,359
Mobile expenses	71,000	76,000
Wimax charge	12,000	12,115
Stamp charges	2,595	4,360
Postage & courier	2,080	1,055
Total:	304,088	304,789
26.07 REPAIR AND MAINTENANCE:		
This is made up as follows:		
Cleaning expenses	24,300	25,100
Office maintenance	13,380	20,201
Total:	37,680	45,301
26.08 REGISTRATION & RENEWAL FEES:		
This is made up as follows:		
Stock Broker & Stock Dealer cert. Renewal fee	20,000	20,000
Trade License fee	34,500	20,010
DP Registration Renewal fee	4,000	4,000
TC Reg. Renewal fee	40,000	40,000
Authorized Reg. Renewal fee	22,950	2,000
TREC Reg. Renewal fee	50,000	50,000
DBA Annual Membership fee	25,000	-
Bidding & EII Reg. fees	30,000	-
Total:	226,450	136,010

	Amount in Taka	
	31.12.2016	31.12.2015
26.09 DEPRECIATION ON FIXED ASSETS:		
This is made up as follows:		
Furniture & Fixture	62,282	50,962
Office equipment	147,752	143,058
Office renovation & decoration	183,114	203,460
Computer & Server	588,507	661,188
Software	49,143	28,772
Total:	1,030,798	1,087,440
26.10 OTHER OPERATING EXPENSES:		
This is made up as follows:		
Traveling & Conveyance	20,072	42,562
DSE charges	38,343	21,832
Petrol, Oil & Lubricant's	305,325	120,000
Car Expenses	595,517	285,996
TWS Set up fees	-	10,000
Newspaper & Periodicals	7,039	6,654
Entertainment	103,506	87,902
Misc. Expenses	-	2,090
Uniform and liveries	3,913	5,954
Internship Allowance	-	15,000
RJSC Expenses	33,465	80,488
Training & Seminar Expenses	27,611	-
Annual Maintenance fee for software	29,391	-
Business development Expenses	20,580	-
Security Service	96,600	144,900
Total:	1,281,362	823,378
27.00 FINANCIAL EXPENSES:		
This is made up as follows:		
Bank Charges	133,948	108,134
Interest Expenses on Short Term Loan	42,170	541,667
Total:	176,118	649,801
28.00 EARNING PER SHARE (EPS):		
This is made up as follows:		
Net profit after tax	33,514,081	28,714,150
Number of Ordinary Share	80,000,000	80,000,000
Earnings Per Share	0.42	0.36

Standard Bank Securities Ltd.

Schedule of Property, Plant & Equipments

As at 31 December, 2016

"Annexure -1"

Description	COST			Rate (%)	DEPRECIATION			Net book value at 31.12.2016		
	Balance at 01.01.2016	Additions	Sale/ Disposal		Total at 31.12.2016	Charge for the Year	Adjustment		Total at 31.12.2016	
Furniture & Fixture	663,185	100,000	-	10	763,185	123,698	62,282	-	185,980	577,205
Office equipment	1,125,963	-	-	20	1,125,963	387,202	147,752	-	534,954	591,009
Office renovation & Decoration	2,337,615	-	-	10	2,337,615	506,478	183,114	-	689,592	1,648,023
Computer & Server	4,504,917	349,450	-	20	4,854,367	1,803,974	588,507	-	2,392,481	2,461,886
Software	146,300	783,750	-	20	930,050	31,210	49,143	-	80,353	849,697
Total Balance as on 31.12.2016	8,777,980	1,233,200	-		10,011,180	2,852,562	1,030,798	-	3,883,360	6,127,820
Total Balance as on 31.12.2015	8,409,640	368,340	-		8,777,980	1,765,122	1,087,440	-	2,852,562	5,925,418

Note : Depreciation has been charged in Reducing Balance Method.

SBL CAPITAL MANAGEMENT LTD. FINANCIAL INFORMATION

Auditors' Report

To the Shareholders of

SBL Capital Management Limited

We have audited the accompanying Financial Statements of SBL Capital Management Limited, which comprises the Statement of Financial Position as at 31st December, 2016, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Company Act 1994 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

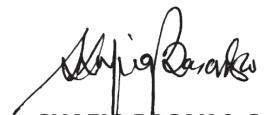
Opinion

In our opinion, the Financial Statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the company as at 31st December, 2016 and their financial performance and cash flows for the year then ended, and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books.
- c) the statement of financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred during the year were for the purposes of the company's business.

Dhaka,
February 22, 2017


SHAFIQ BASAK & CO.
Chartered Accountants

Sbl Capital Management Limited (A subsidiary Company of Standard Bank Ltd.)

Statement of Financial Position

As at 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
ASSETS:			
Non-Current Assets:			
Property, Plant & Equipment	2.00	3,516,983	3,793,341
Current Assets:			
Advances, Deposits & Prepayments	3.00	1,503,990	2,066,990
Investment in Shares	4.00	1,803,227,622	1,760,723,528
Margin Loan to Clients	5.00	2,223,574,329	2,142,209,731
Accounts Receivable	6.00	27,034,117	4,728,888
Advance Income Tax	7.00	202,372,019	119,647,334
Stock of Stationery		47,390	47,390
Cash & Bank Balances	8.00	20,543,610	41,665,017
TOTAL ASSETS		4,281,820,061	4,074,882,220
EQUITY AND LIABILITIES:			
Capital and Reserve:			
Share Capital	9.00	1,500,000,000	1,500,000,000
Retained Earnings	10.00	34,893,470	133,019,421
Current Liabilities:			
Loan facilities from Standard Bank Limited	11.00	1,799,654,140	1,614,638,051
Loan from ICB for ASI-2011	12.00	16,597,260	80,180,401
Provision for Expenses	13.00	634,308	333,079
Sundry Deposit	14.00	28,892,385	27,147,640
Liability for withholding LFC & others	15.00	202,998	162,400
Accounts Payable	16.00	800,000	1,267,719
Other Liabilities:			
Provision for Taxation	17.00	201,459,401	143,772,904
Provision for diminution in value of investment	18.00	445,168,792	415,277,439
Provision for Margin Loan	19.00	253,028,243	158,594,101
Provision for interest waiver to Affected Small Investors	20.00	489,064	489,064
TOTAL EQUITY AND LIABILITIES		4,281,820,061	4,074,882,220
NAV per share	32.00	102.33	108.87

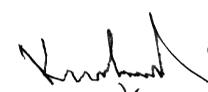
The accompanying notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017



SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Sbl Capital Management Limited (A subsidiary Company of Standard Bank Ltd.)

Statement of Profit or Loss and Other Comprehensive Income

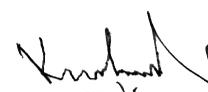
For the year ended 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
INCOME:			
Interest Income		226,840,471	284,614,262
Transaction /Settlement fees		16,698,378	13,163,596
Management fee		8,305,159	9,085,565
Gain on Sale of Shares		48,800,604	139,553,033
Dividend on Investment in Shares		57,717,724	36,518,979
Underwriting Commission		-	286,667
Interest on SND Accounts		2,379,212	5,366,923
Other Income	21.00	1,325,200	1,333,075
Total Income (A)		362,066,748	489,922,100
EXPENDITURE:			
Interest Expense	22.00	158,516,068	166,345,919
Salary & Allowances	23.00	8,013,164	7,372,964
Rent, Taxes, Insurance & Electricity	24.00	1,873,875	1,782,910
Postage, Stamp & Telecommunication	25.00	51,760	32,838
Stationery, Printing & Advertisement	26.00	131,306	171,034
Directors' Fee & Other benefits	27.00	803,948	465,234
Audit & Consultancy Fees	28.00	238,050	273,100
Interest Waiver		1,071,742	-
Depreciation		376,359	425,683
Other Expenses	29.00	2,104,436	1,902,842
Total Expenditure (B)		173,180,707	178,772,524
Profit before Provision (C=A-B)		188,886,041	311,149,575
Less: Provision for diminution in value of investments	18.00	29,891,353	63,525,018
Less: Provision for margin loan	19.00	94,434,142	50,560,435
Total Provision (D)		124,325,495	114,085,453
Profit/(Loss) before tax (E=C-D)		64,560,546	197,064,122
Less: Provision for Taxation	17.00	57,686,497	72,162,636
Profit/(Loss) after tax (Transferred to retained earnings)	10.00	6,874,049	124,901,486
Earnings per share	30.00	0.46	8.33

The accompanying notes form an integral part of these financial statements.


Chief Executive Officer


Director


Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Sbl Capital Management Limited (A subsidiary Company of Standard Bank Ltd.)

Statement of Cash Flows

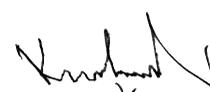
For the year ended 31 December, 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
A. Cash Flow from Operating Activities:			
Net Profit after tax	10.00	6,874,049	124,901,486
Add: Non Cash Transaction		88,296,036	90,239,834
Accrued Expenses	13.00	301,229	127,181
Liability for withholding LFC	15.00	40,598	(46,620)
Provision for investment in securities	18.00	29,891,353	63,525,018
Corporate Income Tax	17.00	57,686,497	25,614,486
Over Provision for Tax		-	594,086
Depreciation	2.00	376,359	425,683
		(8,755,747)	50,137,721
Sundry Deposit	14.00	1,744,745	5,425,545
Accounts Receivable	6.00	(22,305,230)	14,518,085
Advance Income Tax	7.00	(82,724,685)	(21,395,063)
Advance deposit	3.00	563,000	588,000
Account Payable	16.00	(467,719)	467,719
Stock of Stationery		-	(27,000)
Provision for Margin Loan	19.00	94,434,142	50,560,435
Net Cash flow from Operating Activities		86,414,336	265,279,041
B. Cash flow from Investing Activities :			
Investment in Shares	4.00	(42,504,094)	(165,142,071)
Purchase of Assets	2.00	(100,000)	-
Loan to Client	5.00	(81,364,598)	(248,900,975)
Net cash flow from Investing Activities		(123,968,691)	(414,043,046)
C. Cash Used by Financing Activities:			
Loan from SBL	11.00	185,016,089	54,208,724
ICB for ASI-2011	12.00	(63,583,141)	80,180,401
Dividend paid		(105,000,000)	(135,000,000)
Net cash flow from financing activities		16,432,948	(610,875)
D. Net Increase in cash and cash equivalents D=(A+B+C)		(21,121,407)	(149,374,880)
E. Opening cash and cash equivalents	8.00	41,665,017	191,039,897
Closing cash and cash equivalents (D+E)		20,543,610	41,665,017
Cash & Cash Equivalents:			
Name of the Bank Account:			
SBL Capital Mgt. Ltd Investors A/c# 1807	8.01	13,636,476	40,514,120
SBL Capital Mgt. Ltd A/c# 1808	8.01	116,136	881,971
SBL Capital Mgt. Ltd Own Portfolio A/c# 1810	8.01	93,337	265,437
Public Issue Application A/c# 1876	8.01	6,697,660	3,489
		20,543,610	41,665,017
Net Operating Cash Flow per share (Note-31)		5.76	17.69

The accompanying notes form an integral part of these financial statements.


Chief Executive Officer


Director


Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Sbl Capital Management Limited (A subsidiary Company of Standard Bank Ltd.)

Statement of Changes in Shareholders Equity

As at 31 December, 2016

Particulars	Share capital	General Reserve	Retained earnings	Total
Balance as on 01.01.2016	1,500,000,000	-	133,019,421	1,633,019,421
Dividend for the year 2015	-	-	(105,000,000)	(105,000,000)
Retained earnings during the year	-	-	6,874,049	6,874,049
Balance as on 31.12.2016	1,500,000,000	-	34,893,470	1,534,893,470
Balance as on 31.12.2015	1,500,000,000	-	133,019,421	1,633,019,421

The accompanying notes form an integral part of these financial statements.


Chief Executive Officer


Director


Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Sbl Capital Management Limited (A subsidiary Company of Standard Bank Ltd.)

Notes to the financial statements

As at 31 December, 2016

1.00 Company and its Activities

SBL Capital Management Limited is a subsidiary company of Standard Bank Limited incorporated as a public limited company on 20th October, 2010 with the Registrar of Joint Stock Companies, Dhaka vide certificate of incorporation No. C-87663/10 dated 20 October, 2010 and commenced its business on the same date. The function of its were separated from Standard Bank Limited by forming a subsidiary company in terms of Bangladesh Bank's BRPD circular No. 12 dated: 14 October, 2009. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued a full fledged Merchant Banking License in favour of SBL Capital Management Limited, vide letter No. SEC/Reg/MB/SUB/13/2010/529, dated: January 05, 2011 with effect from January 09, 2011.

1.02 Principal Activities:

The main objectives of the Company is to carry out the business of full fledged merchant banking activities like margin loan provided to clients for the Investment in securities, issue management, portfolio management, underwriting, corporate advisory services etc.

1.03 Significant Accounting policies:

Statement of Compliance:

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards (BAS), the Companies Act. 1994, Securities & Exchange Rules, 1987 and other applicable laws in Bangladesh.

Basis of preparation of Financial Statements:

The financial statements are prepared on a going concern basis under historical cost convention in accordance with Generally Accepted Accounting Principles. Wherever appropriate, such principles are explained in succeeding notes. The financial statements includes:

- (i) Statement of Financial Position (Balance Sheet)
- (ii) Statement of Profit or Loss and other Comprehensive Income
- (iii) Statement of Cash Flows
- (iv) Statement of Changes in Equity
- (v) Accounting Policies and Explanatory Notes

1.04 Reporting Period:

The Reporting period of the Company from 1st January, 2016 to 31st December, 2016.

1.05 Statement of Cash Flows:

Statement of Cash Flow is prepared in accordance with the Bangladesh Accounting Standard (BAS)-7: Cash Flow statement has been presented under indirect method.

1.06 Property, Plant and Equipments:

Recognition and Measurement:

Items of Property, Plant & Equipment (PPE) are initially measured at cost. After initial recognition, the item of PPE are carried at cost less accumulated depreciation and impairment losses. Depreciation is charged using reducing balance method as per Bangladesh Accounting Standard (BAS)

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & Fixture	10%
Office Equipment	20%
Renovation & Decoration	10%
Software	20%

1.07 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash in hand and bank balances, which were held and available for use of the Company without any restriction.

1.08 Investments:

All Investment in securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investments. The valuation methods used for investments is:

1.08.1 Investment in listed securities are acquired and held primarily as well as secondarily for the purpose of selling them in future or held for dividend income are reported at cost. Unrealised gain /(Loss) are not recognised in the statement of profit or loss and other comprehensive income.

1.09 Receivables:

Receivables are recognised when there is a contractual right to receive cash or other financial assets from another entity.

1.10 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

1.11 Borrowing Funds:

Borrowing funds include borrowings from Standard Bank Limited (SBL) and Investment Corporation of Bangladesh (ICB), which is stated in the statement of financial position as Short Term Loan.

1.12 Provision for Current Taxation:

Provision for current income tax has been made @ 37.50% on total income as prescribed in the Finance Act 2016 on the accounting profit made by the Bank in compliance with BAS-12 "Income Taxes".

1.13 Benefit to the Employees:

The retirement benefits such as Gratuity Fund, Incentive Bonus for the employees of the company as on reporting date have not yet been recognised for in accordance with the provisions of Bangladesh Accounting Standards-19, "Employment Benefits" as the company is not yet decided for those benefits.

1.14 Provision for Liabilities:

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS-37 "Provisions, contingent liabilities and contingent Assets."

1.15 Provision for Margin Loan:

A provision for Equity shortfall of investors in portfolios have been made as per circular of BSEC No. SEC/CMRRCD/2009-193/196 dated 28 December, 2016.

1.16 Interest Income:

In terms of the provisions of BAS-18 "Revenue", interest income is recognised on accrual basis.

1.17 Investment Income:

Investment Income on investment is recognised on accrual basis. Capital gains are recognised when these are realised.

1.18 Fees and Commission Income:

Fees and Commission income arising on services provided by the Company are recognised on accrual basis.

1.19 Dividend Income on Shares:

Dividend on shares is recognised during the period in which it is declared and ascertained i.e, established as the right of shareholders.

1.20 Events after the reporting period:

Where necessary, all the material events after the reporting date has been considered but no adjustment/disclosures is required to be made in the financial statements.

1.21 Directors responsibility on Financial Statements:

The board of directors of the company is responsible for the preparation and presentation of these financial statements.

		Amount in Taka	
		31.12.2016	31.12.2015
2.00	Property, Plant & Equipments: Tk. 3,516,983		
	Opening Balance	5,735,594	5,735,594
	Add: Addition during the year	100,000	-
	Less: Adjustment	-	-
	Closing Balance (A)	5,835,594	5,735,594
	Depreciation:		
	Opening Balance	1,942,252	1,516,569
	Add: Charge for the period	376,359	425,683
	Less: Adjustment	-	-
	Closing Balance (B)	2,318,611	1,942,253
	Written Down Value (A-B)	3,516,983	3,793,341
	Details are shown in Annexure-1		
3.00	Advance, Deposits & Prepayments: Tk. 1,503,990		
	Advance for Office Rent	1,274,000	1,862,000
	Advance for Custody DP-CDBL	200,000	200,000
	Security deposit	4,990	4,990
	Suspense For Expenditure	25,000	
	Total	1,503,990	2,066,990
4.00	Investment in Shares: Tk. 1,803,227,622		
	Total Investments (Note-4.01)	1,803,227,622	1,760,723,528
	Total	1,803,227,622	1,760,723,528
4.01			
	Ordinary Shares	No. of Company	Cost value 31.12.2016
	Investment in Secondary Share Market (Note: 4.01.01)	61	1,797,227,622
	Investment in Primary Share Market (Pacific Denim Ltd.)		6,000,000
	Total		1,803,227,622
4.01.01	Investment in Secondary Share Market:		
	Banking Company		458,802,693
	Non Banking Financial Institutions		207,153,236
	Insurance Company		239,569,275
	Investment Company		154,213,489
	Fuel and Power		333,049,863
	Manufacturing Company and Others		367,934,970
	Total		1,760,723,528
	Investment in shares represents cost price of securities which have been invested by the company in the capital market. The details of the above balance have been shown in Annexure-2 .		
5.00	Margin Loan to Clients: Tk. 2,223,574,329		
	This is made up as follows:		
	Portfolio Margin Loan	2,223,574,329	2,142,209,731
	Total	2,223,574,329	2,142,209,731
6.00	Account Receivable: Tk. 27,034,117		
	This is made up as follows:		
	Receivable from Brokers against Investors portfolio	8,769,661	2,834,128
	Receivable from Brokers against Own Portfolio	6,720,258	216,759
		9,866,199	
	Underwriting Commission Receivable	1,678,000	1,678,000
	Total	27,034,117	4,728,888

	Amount in Taka		
	31.12.2016	31.12.2015	
7.00 Advance Income Tax: Tk. 202,372,019			
This is made up as follows:			
Opening Balance	119,647,334	98,252,271	
Add: Tax deducted at source during the year (Note: 7.01)	9,916,947	8,138,730	
Add: Advance Income Tax Paid during the year	72,807,738	59,210,397	
	202,372,019	165,601,398	
Less: Adjustment of Advance Income Tax for the Financial Year 2013	-	8,889,357	
	202,372,019	156,712,041	
Less: Adjustment of demand Tax for the financial Year 2013	-	37,064,707	
Closing Balance	202,372,019	119,647,334	
Details break up of above balance have been given below:			
	Accounting year	Amount in Taka	Amount in Taka
	2011	22,166,853	22,166,853
	2012	10,379,479	10,379,479
	2014	63,962,272	63,962,272
	2015	23,138,730	23,138,730
	2016	82,724,685	-
		202,372,019	119,647,334
7.01 Tax deducted :			
This is made up as follows:			
Tax deducted on Interest Income	356,882	805,038	
Tax deducted on Dividend Income & Others	9,560,065	7,333,692	
	9,916,947	8,138,730	
8.00 Cash & Bank Balances: Tk. 20,543,610			
This is made up as follows:			
Cash in hand	-	-	
Bank Balances with SBL, Principal Branch (Note-8.01)	20,543,610	41,665,017	
Total	20,543,610	41,665,017	
8.01 Bank Balance with SBL, Principal Branch:			
SBL Capital Mgt. Ltd. Investors (A/C: 1807)	13,636,476	40,514,120	
SBL Capital Mgt. Ltd. (A/C: 1808)	116,136	881,971	
SBL Capital Mgt. Ltd. Own Portfolio (A/C: 1810)	93,337	265,437	
Public Issue Application (A/C: 1876)	6,697,660	3,489	
Total	20,543,610	41,665,017	
9.00 Share Capital:			
9.01 Authorized Capital: Tk. 5,000,000,000			
50,000,000 Ordinary Shares of TK. 100/- each	5,000,000,000	5,000,000,000	
9.02 Issued, Subscribed and Paid Up Capital: Tk. 1,500,000,000			
15,000,000 Ordinary Shares of TK. 100/- each	1,500,000,000	1,500,000,000	
	1,500,000,000	1,500,000,000	

9.03 Pattern of Shareholdings:

Name	No. of Shares	Amount (TK.)	% of Share
Mr. Kazi Akramuddin Ahmed	50	5,000	0.0003%
Mr. Ferozur Rahman	50	5,000	0.0003%
Mr. Mohammed Abdul Aziz	50	5,000	0.0003%
Mr. S.A.M. Hossain	50	5,000	0.0003%
Mr. Mohammed Zahedul Hoque	50	5,000	0.0003%
ICB represented by the Managing Director	50	5,000	0.0003%
Mr. Kazi Khurram Ahmed	50	5,000	0.0003%
Mr. Tazmeem Mostafa Chowdhury	50	5,000	0.0003%
Mr. Sheikh Omar Faruque	50	5,000	0.0003%
Mr. Md. Nizamul Alam	50	5,000	0.0003%
Mr. Md. Shahedul Alam	50	5,000	0.0003%
Mrs Rahela Hossain	50	5,000	0.0003%
Standard Bank Limited represented by the Managing Director & CEO	14,999,400	1,499,940,000	99.9964%
Total	15,000,000	1,500,000,000	100.00%

10.00 Retained Earnings: Tk.34,893,470**This is made up as follows:**

	Amount in Taka	
	31.12.2016	31.12.2015
Opening Balance	133,019,421	142,523,849
Less: Dividend paid	105,000,000	135,000,000
	28,019,421	7,523,849
Add: Prior year's adjustment (Over provision of income tax) (10.01)	-	594,086
	28,019,421	8,117,935
Add: Profit for the year	6,874,049	124,901,486
Total	34,893,470	133,019,421

10.01 Prior years Adjustment:**(Over provision of income tax)**

Income tax assessment for the Financial year 2013 and assessment year 2014-2015 had been completed by tax authority demanding tax liabilities Tk. 45,954,064 whereas tax liability had been provided in the financial statement for the year 2013 Tk. 46,548,150 and the over provision Tk. 594,086 has been adjusted during the year 2015.

11.00 Loan facilities from Standard Bank Ltd.: Tk. 1,799,654,140**This is made up as follows:**

Opening Balance	1,614,638,051	1,560,429,327
Add: Addition during the year	185,016,089	164,208,724
	1,799,654,140	1,724,638,051
Less: Refund during the year	-	110,000,000
Closing Balance	1,799,654,140	1,614,638,051

The above loan was taken from Standard Bank Limited bearing interest @ 9.00% per annum on quarterly basis vide reference No. SBL/HO/CR/1108/2016 dated 10.03.2016.

	Amount in Taka	
	31.12.2016	31.12.2015
12.00 Loan from ICB for ASI-2011 : Tk. 16,597,260		
Opening Balance	80,180,401	-
Add: Addition during the year	-	95,398,635
Total	80,180,401	95,398,635
Less: Refund during the year	63,583,141	15,218,234
Closing Balance	16,597,260	80,180,401
The above loan was taken as Puji Bazare Khotigroshto Khudro Biniogkarider Shohyaota Tohobil from ICB bearing interest @ 7.00% per annum (simple) on quarterly basis.		
13.00 Provision for Expenses: Tk. 634308		
This is made up as follows:		
Accrued Expenses (Not: 13.01)	634,308	333,079
	634,308	333,079
13.01 Accrued Expenses:		
This is made up as follows:		
Opening Balance	333,079	205,898
Add: Accrued Exp. during the year	558,365	279,938
Total	891,444	485,836
Less: Adjustment during the year	257,136	152,757
Closing Balance	634,308	333,079
14.00 Sundry Deposit: Tk. 28,892,385		
This is made up as follows:		
Portfolio Deposit Account (Investors)	21,791,623	27,033,694
Affected Small Investors Deposit	296,931	-
Public Issue Application Deposit	6,680,000	-
Unidentified Entries	123,832	113,946
	28,892,385	27,147,640
15.00 Liability for withholding LFC & Others: Tk. 202,998		
This is made up as follows:		
Tax deducted at source- others	-	-
Salary Tax deducted at source	30,300	-
VAT deducted at source	1,725	-
	173	
LFC payable (Note-15.01)	170,800	162,400
	202,998	162,400
15.01 LFC:		
Opening Balance	162,400	161,200
Add: Addition during the year	160,800	152,400
Total	323,200	313,600
Loss: Disbursement during the year	152,400	151,200
Closing Balance	170,800	162,400

	Amount in Taka	
	31.12.2016	31.12.2015
16.00 Accounts Payable: Tk. 800,000		
Payable for Leads Software*	800,000	800,000
Interest payable on ICB Loan-2011		467,719
	800,000	1,267,719

*Merchant Bank operation and Accounting Software was purchased from Leads Corp. Ltd. amounting to TK. 16.00 Lac. 50% payment was made at the time of work order and balance 50% would payable after successful operation of Accounting Software.

17.00 Provision for Tax : Tk. 201,459,401

Opening Balance	143,772,904	118,158,418
Add: Provision for income tax made during the year (17.01)	57,686,497	72,162,636
	201,459,401	190,321,054
Less: Over Provision of Tax for the Financial year -2013.	-	594,086
	201,459,401	189,726,968
Less: Adjustment of Advance Income Tax for the Financial year -2013.	-	45,954,064.00
Closing Balance	201,459,401	143,772,904

Details Break-up of the above balance has been given below:

Details	Financial year 2011	Financial year 2012	Financial year 2014	Financial year 2015	Financial year 2016	Total (Tk.)
Opening Balance	1,990,574	5,274,416	64,345,278	72,162,636	-	143,772,904
Add: Provision during the year	10,000,000	-	-	-	47,686,497	57,686,497
Total	11,990,574	5,274,416	64,345,278	72,162,636	47,686,497	201,459,401

Assessment for the financial year 2011 and assessment year 2012-2013 had been made by DCT and assessed tax liability amounting to Tk. 160,916,957 against provision for tax amounting to Tk. 1,990,574 in the financial statement for the financial year 2011. The company had filed 2nd appeal against the assessment order, which is under process.

Assessment for the financial year 2012 and assessment year 2013-2014 had been made by DCT and assessed tax liability Tk. 52,196,260 against provision for tax amounting to Tk. 5,274,416 in the financial statement for the financial year 2012. The company had filed 2nd appeal against the assessment order.

17.01 Provision for income tax made during the year

The computation of tax provision for the year under audit are as under:

Tax on Capital Gain TK. 48,800,603.90 @ 10%	4,880,060	13,955,303
Tax on Dividend TK.57,717,723.50 @ 20%	11,543,545	7,303,796
Tax on Business Income TK.83,367,713 @ 37.50% (Including perquisites)	31,262,892	50,903,537
Provision of income tax for the Financial year 2016	47,686,497	72,162,636
Add: Provision of income tax for the Financial year 2011	10,000,000	-
Total Tax Provision during the year	57,686,497	72,162,636

	Amount in Taka	
	31.12.2016	31.12.2015
18.00 Provision for diminution in value of Investment: Tk. 445,168,792		
Opening Balance	415,277,439	351,752,422
Add: Provision made during the year	29,891,353	63,525,018
Closing Balance	445,168,792	415,277,439

Based on market value prevailing on 31st December, 2016, total value of shares in different companies held by SBL Capital Management Ltd. comes to Tk.1,232,493,418 (cost Tk.1,797,227,622). Details are shown at Annexure-2. Thus difference between market value and cost value of total shares comes to 564,734,204. This represents diminution in investment value. Shortfall in provision are shown below:

Total diminution in investment value	TK.	564,734,204
Less: Provision for diminution in investment value (January 1, 2016)	TK.	415,277,439
Total shortfall in provision require to be accounted	TK.	149,456,765

Against above shortfall, sum of Tk. 29,891,353 had been provided in accounts which represents (as per BSEC circular No. SEC/CMRRCD/2009-193/196 dated, December 28, 2016) 20% of total unrealized loss in comprehensive income statement for the year under audit. Remaining loss in investment value amounting to Tk. 119,565,353 would be taken into accounts in the year 2017.

19.00 Provision for Margin Loan: Tk. 253,028,243		
Opening Balance	158,594,101	108,033,666
Add: Provision made during the year	94,434,142	50,560,435
Closing Balance	253,028,243	158,594,101

There arises loss/shortfall in Investors portfolio investment amounting to Tk. 630,764,809 representing difference of loan balance and market value of securities on December 31, 2016 this shortfall/ loss should be provided in account. However, BSEC has given a facilities to the Investors by using a circular on SEC/CMRRCD/2009-193/196 dated, December 28, 2016) that loss/shortfall in provision for investment might be amortized in five (05) equal quarterly installment. Provision made for Tk. 94,434,142 against shortfall of portfolio investment of Tk. 630,764,809. As such, shortfall in provision stands at Tk. 377,736,566 which is made up as follows:

Provision for Margin Loan:

Required Provision for Margin Loan as on 31.12.2016	630,764,809
Less: Rescheduling Account shortfall as on 31.12.2016	-
Net required provision for Margin Lon as on 31.12.2016	630,764,809
Less: Opening balance on 01.01.2016	158,594,101
	472,170,708
Less: 20% of Tk. 472,170,708 amortized in Income Statement of current year	94,434,142
Net provision shortfall	377,736,566

20.00 Provision for Interest Waiver to A.S.I.: Tk. 489,064		
Opening Balance	489,064	489,064
Add: Provision made during the period	-	-
Closing Balance	489,064	489,064

21.00 Other Income: Tk. 1,335,200		
Documentation Charge	13,000	10,000
Charge for Investment Certificate	35,400	50,400
Account Closing Charges	16,800	11,600
Public Issue Application Commission	-	1,075
Sharing Infrastructure Charge	1,260,000	1,260,000
	1,325,200	1,333,075

	Amount in Taka	
	31.12.2016	31.12.2015
22.00 Interest Expenses: Tk. 158,516,068		
Interest expenses on SBL Loan	155,016,089	164,208,724
Interest expenses on ICB Loan-2011	3,499,979	2,137,195
Interest paid to Standard Bank Ltd. & ICB for loan facilities	158,516,068	166,345,919
23.00 Salary & Allowances: Tk. 8,013,164		
Salaries (Basic)	3,721,565	3,243,840
House Rent Allowance	1,860,783	1,621,920
House Maintenance & Utility	60,000	36,000
Medical Allowance	611,581	564,000
Conveyance Allowance	443,581	516,000
Provident Fund (Company contribution)	372,157	324,384
Leave Fare Compensation (LFC)	160,800	152,400
Bonus	628,680	568,700
Washing Allowance	17,790	6,000
Casual Wages	136,227	339,720
Total	8,013,164	7,372,964
24.00 Rent, Taxes, Insurance & Electricity: Tk. 1,873,875		
Rent for Office Premises	1,433,936	1,281,840
Electricity	190,897	183,565
Generator Expenses	27,118	71,559
Lift Service	30,000	30,000
Water & Sewerage	30,374	28,046
WAN Connectivity Expenses	161,550	187,900
Total	1,873,875	1,782,910
25.00 Postage, Stamp & Telecommunication: Tk. 51,760		
Postage and Courier	2,717	6,697
Mobile expenses	24,300	-
Telephone Expenses	24,743	26,141
Total	51,760	32,838
26.00 Stationery, Printing & Advertisement : Tk. 131,306		
Printing & Stationery	71,248	33,401
Computer, Printer & Networking Accessories	60,058	83,555
Advertisement & Publicity	-	54,078
Total	131,306	171,034
27.00 Director's Fee & Other Expenses: Tk. 803,948		
Director's Meeting fees	386,400	203,550
Director's haltage expenses	14,150	2,275
Entertainment for the Bord Meeting	203,598	81,809
Director's Traveling Expenses	199,800	177,600
Total	803,948	465,234
28.00 Audit & Consultancy: Tk. 238,050		
Audit Fees	57,500	48,875
Legal Fees	165,600	224,225
	14,950	
Total	238,050	273,100

	Amount in Taka	
	31.12.2016	31.12.2015
29.00 Other Expenses: <u>Tk. 2,104,436</u>		
Travelling & Conveyance expenses	4,965	4,370
Entertainment expenses (Office)	25,442	33,101
Photocopy & Photograph	5,067	7,969
Training & Internship	14,700	-
Uniform & Leverage	10,250	7,000
Rate & Taxes	53,067	4,620
Legal Charges	16,500	507,500
RJSC Fess & Charges	49,500	57,105
Drinking Water Expenses	22,440	23,275
CDBL Charges (Note-29.01)	1,240,653	968,516
Registration & Renewal fees	173,423	171,160
BO account maintenance fee	350	400
Miscellaneous expenses for Board Meeting	54,761	26,043
Prepare maintenance-Office premises	61,330	26,577
Paper & Periodicals	5,335	4,463
Cleaning services for outsourcing	19,838	
Car Expenses	176,825	
Petrol Oil & Lubricants	111,290	
Bank Charges (MICR cheque book, HV & RV charges)	58,700	60,743
Total	2,104,436	1,902,842
29.01 CDBL Charges: <u>Tk. 1,240,653</u>		
CDBL charges	1,240,653	1,249,597
Less: Cash back rebate from CDBL	-	281,081
Net charges	1,240,653	968,516
30.00 Earning Per Share (EPS): <u>Tk. 0.46</u>		
Net profit after tax	6,874,049	124,901,486
Weighted average outstanding number of shares	15,000,000	15,000,000
Earning Per Share	0.46	8.33
31.00 Net operating cash flow per share (NOPCFPS): <u>Tk. 5.76</u>		
Net cash flow from operating activities	86,414,336	265,279,041
Number of shares	15,000,000	15,000,000
Net operating cash flow per share	5.76	17.69
32.00 NAV per share: <u>Tk. 102.33</u>		
Shareholder's equity	1,534,893,470	1,633,019,421
Number of shares	15,000,000	15,000,000
NAV per share	102.33	108.87

Sbl Capital Management Limited (A subsidiary Company of Standard Bank Ltd.)

Schedule of Property, Plant & Equipments

As at 31 December, 2016

"Annexure -1"

Particulars	COST			Rate (%)	DEPRECIATION			Written Down Value 31.12.2016
	Balance as on 01.01.2016	Addition during the year	Adjustment		Balance as on 31.12.2016	Charged during the year	Balance as on 31.12.2016	
Office Equipment Computer, Printer, UPS, Server etc	-	-	-	20%	-	-	-	
	1,266,411	-	-	20%	819,395	89,403	908,798	357,613
Office Renovation	2,815,800	-	-	10%	611,029	220,477	831,506	1,984,294
Furniture & Fixture	200,383	100,000	-	10%	82,058	21,833	103,891	196,493
Software	1,453,000	-	-	20%	429,771	44,646	474,416	978,584
Total Balance as on 31.12.2016	5,735,594	100,000	-		1,942,252	376,359	2,318,611	3,516,983
Total Balance as on 31.12.2015	5,735,594				1,516,569	425,683	1,942,253	3,793,341

Sbl Capital Management Limited (A subsidiary Company of Standard Bank Ltd.)

Own Portfolio Statement

As on 31 December, 2016

“Annexure -2”

Sl	Company Name	Total Share	Cost Amt.	Mkt. Value	Unrea. Gain/(Loss)
1	aamra technologies	10,000	300,357.70	337,000.00	36,642.30
2	ACME Laboratories	72,098	7,108,790.78	7,137,702.00	28,911.22
3	Active Fine Chemical	24,000	915,222.67	1,039,200.00	123,977.33
4	Agni Systems Limited	712,865	16,483,202.53	14,898,878.50	-1,584,324.03
5	Agrani Ins Co. Ltd	504,000	15,497,372.28	12,096,000.00	-3,401,372.28
6	Aman Feed Limited	132,000	9,312,495.34	9,081,600.00	-230,895.34
7	Anlima Yarn dyeing	186,900	5,505,630.07	5,364,030.00	-141,600.07
8	Asia Pacific Ins. Co	63,000	2,361,366.03	1,209,600.00	-1,151,766.03
9	Bata Shoe Co(BD) Ltd	7,000	8,155,793.15	7,994,000.00	-161,793.15
10	BD Fin & Inv Co Ltd.	606,100	19,181,339.10	8,909,670.00	-10,271,669.10
11	BD Submarine Cable	429,000	67,127,666.87	50,879,400.00	-16,248,266.87
12	BSRM Steel Limited	873,660	100,144,082.68	81,075,648.00	-19,068,434.68
13	Dhaka Bank Ltd.	1,402,500	34,484,772.24	25,104,750.00	-9,380,022.24
14	Fareast Islami Life	264,000	43,000,347.45	17,872,800.00	-25,127,547.45
15	FAS Finance Inv Ltd.	478,500	12,130,090.38	6,938,250.00	-5,191,840.38
16	First Janata Bank MF	639,542	4,376,962.80	3,773,297.80	-603,665.00
17	Fortune Shoes Ltd.	2,859	28,590.00	145,237.20	116,647.20
18	Generation Next Ltd.	236,500	2,555,925.73	2,341,350.00	-214,575.73
19	Global Insurance Ltd	913,000	32,822,118.65	16,160,100.00	-16,662,018.65
20	Golden Harvest Agro	11,100	461,492.01	593,850.00	132,357.99
21	Grameen MFO:Scheme 2	1,240,135	23,069,941.02	15,253,660.50	-7,816,280.52
22	Grameenphone Ltd.	168,150	51,369,859.95	47,771,415.00	-3,598,444.95
23	IAMCL 2nd NRB MF	3,450,000	78,915,175.73	28,980,000.00	-49,935,175.73
24	ICB AMCL 2nd MF	800,000	11,038,358.89	4,800,000.00	-6,238,358.89
25	ICB Islamic Bank Ltd	980,000	15,997,603.01	4,998,000.00	-10,999,603.01
26	IFAD Autos Limited	55,000	4,695,085.88	5,511,000.00	815,914.12
27	IFIC Bank 1st MF	2,427,196	18,793,587.63	13,106,858.40	-5,686,729.23
28	Int. Leasing And FSL	556,500	13,820,937.34	7,067,550.00	-6,753,387.34
29	Islamic Finance Inv	440,000	13,379,238.96	8,492,000.00	-4,887,238.96
30	Jamuna Bank Limited	1,780,000	36,590,969.28	27,768,000.00	-8,822,969.28
31	Jamuna Oil Co. Ltd	235,000	47,713,345.66	42,676,000.00	-5,037,345.66
32	Lafarge Surma Cement	1,220,100	117,430,111.54	100,170,210.00	-17,259,901.54
33	LankaBangla Finance	586,500	42,103,577.74	20,410,200.00	-21,693,377.74
34	Meghna Petroleum Ltd	163,000	31,476,238.96	27,775,200.00	-3,701,038.96
35	Mercantile Bank Ltd	285,000	4,679,195.70	4,303,500.00	-375,695.70

Sl	Company Name	Total Share	Cost Amt.	Mkt. Value	Unrea. Gain/(Loss)
36	Mercantile Ins. Ltd.	510,000	16,874,824.78	8,415,000.00	-8,459,824.78
37	MIDAS Financing Ltd.	810,000	47,588,562.78	22,680,000.00	-24,908,562.78
38	MJL Bangladesh Ltd.	10,000	905,372.54	1,196,000.00	290,627.46
39	National Bank Ltd.	1,742,250	45,079,727.65	17,770,950.00	-27,308,777.65
40	National Housing	27,000	1,093,784.16	1,458,000.00	364,215.84
41	NCCBL	1,510,000	23,234,033.85	19,026,000.00	-4,208,033.85
42	Nitol Insurance	323,680	14,522,549.00	7,412,272.00	-7,110,277.00
43	ONE Bank Ltd.	1,900,000	30,490,914.59	34,770,000.00	4,279,085.41
44	Padma Oil Co. Ltd	170,800	43,614,115.13	30,778,160.00	-12,835,955.13
45	Peoples Leasing	310,000	15,747,132.66	2,945,000.00	-12,802,132.66
46	Popular Life 1st MF	1,456,554	10,947,403.99	7,865,391.00	-3,082,012.99
47	Popular Life Ins.	195,000	15,480,761.26	13,611,000.00	-1,869,761.26
48	Power Grid Co. of BD	193,100	10,718,029.59	10,427,400.00	-290,629.59
49	Pragati Ins Ltd.	588,000	57,524,032.20	15,934,800.00	-41,589,232.20
50	Prime Bank Limited	1,975,000	70,448,946.02	34,957,500.00	-35,491,446.02
51	Prime Bank1st ICB MF	483,000	4,802,717.17	2,704,800.00	-2,097,917.17
52	Prime Finance	264,000	34,119,382.56	2,587,200.00	-31,532,182.56
53	Prime Islami Life	264,000	39,944,485.84	17,110,800.00	-22,833,685.84
54	Pubali Bank Ltd.	252,000	8,501,320.80	6,048,000.00	-2,453,320.80
55	Renata Limited	40,000	41,076,526.09	43,420,000.00	2,343,473.91
56	Saif Powertec Ltd	59,800	2,565,899.20	3,025,880.00	459,980.80
57	Social Islami BnkLtd	1,155,000	25,173,430.76	21,252,000.00	-3,921,430.76
58	Square Pharma	67,000	8,696,700.25	16,689,700.00	7,992,999.75
59	Standard Insurance	322,825	9,970,931.13	5,939,980.00	-4,030,951.13
60	Summit Power Ltd.	2,385,000	113,096,223.38	88,245,000.00	-24,851,223.38
61	The Premier Bank Ltd	1,100,000	16,504,371.16	10,780,000.00	-5,724,371.16
62	Titas Gas T&D Co Ltd	551,000	39,135,589.21	27,219,400.00	-11,916,189.21
63	Trust Bank 1st MF	271,100	2,269,254.00	1,629,330.00	-639,924.00
64	UCBL	3,360,000	88,439,360.64	71,568,000.00	-16,871,360.64
65	Union Capital Ltd	246,100	9,082,906.00	5,045,050.00	-4,037,856.00
66	Unique Hotel &Resort	300,000	21,159,182.45	16,170,000.00	-4,989,182.45
67	Uttara Bank	400,000	15,284,342.30	9,880,000.00	-5,404,342.30
68	Western Marine	684,214	20,107,842.68	21,894,848.00	1,787,005.32
Total			1,797,227,622	1,232,493,418	-564,734,204

The accompanying notes form an integral part of these financial statements.


Chief Executive Officer


Director


Chairman

Subject to our separate report of even date

Dhaka: February 22, 2017


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

STANDARD EXCHANGE COMPANY (UK) LIMITED FINANCIAL INFORMATION

Standard Exchange Company (UK) Limited

Financial Statements

For the Year Ended 31 December 2016

COMPANY INFORMATION

DIRECTORS

MR KAZI AKRAM UDDIN AHMED
MR MAMUN UR RASHID

REGISTERED OFFICE

101
WHITECHAPEL ROAD
LONDON
E1 1DT

COMPANY NUMBER

06851946

BANKERS

SONALI BANK (UK) LIMITED

ACCOUNTANTS

Jahan & Co
Chartered Management Accountants
22 Osborn Street
London
E1 6TD

Standard Exchange Company (UK) Limited

Directors' Report

For the year ended 31 December, 2016

The directors present their report and accounts for the year ended 31 December 2016

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was MONEY REMITTANCE .

DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows:

	2016	2015
Mr. Kazi Akram Uddin Ahmed	0	0
Mr. Mamun-Ur-Rashid	0	0

RESULTS AND DIVIDENDS

The directors share the following information:

Remittance collection was £26,376,982 in 2015 and £8,895,213 in 2016 (decreased by 66.28%)

Number of transactions was 43,317 in 2015 and 16,609 in 2016 (decreased by 61.66%)

Number of clients up to 2015 was 6,406 and 5,300 in 2016 (decreased by 17.27%)

The Company's Loss for the Financial Year is £ 10,028

DIRECTORS RESPONSIBILITIES

Company Law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The report of the directors has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006.

This report was approved by the board on 24 January 2017



MR KAZI AKRAM UDDIN AHMED

Director

Standard Exchange Co. (UK) Ltd.



MAMUN-UR-RASHID

Director

Standard Exchange Co. (UK) Ltd.

Standard Exchange Company (UK) Limited

Accountants' Report To The Board Of Directors On The Unaudited Accounts Of Standard Exchange Company (Uk) Limited

For the year ended 31 December, 2016

In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED for the year ended 31 December 2016 as set out on pages 6 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member of the Chartered Institute of Management Accountants (CIMA), we are subject to its ethical and other professional requirements which are detailed on their website.

This report is made solely to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in accordance with the terms of our engagement letter dated . Our work has been undertaken solely to prepare for your approval the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED and state those matters that we have agreed to state to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) as detailed on their website. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than STANDARD EXCHANGE COMPANY (UK) LIMITED and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that STANDARD EXCHANGE COMPANY (UK) LIMITED has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profitability of STANDARD EXCHANGE COMPANY (UK) LIMITED. You consider that STANDARD EXCHANGE COMPANY (UK) LIMITED is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



Jahan & Co
Chartered Management Accountants
22 Osborn Street
London
E1 6TD

24 January 2017

Standard Exchange Company (UK) Limited

Profit and Loss Account

For the year ended 31 December, 2016

Particulars	Notes	Amount in £	
		31.12.2016	31.12.2015
TURNOVER	2	229,667	417,113
GROSS PROFIT		229,667	417,113
Distribution costs		(2,117)	(6,349)
Administrative expenses		(237,578)	(339,541)
OPERATING (LOSS) / PROFIT	3	(10,028)	71,223
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,028)	71,223
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(10,028)	71,223
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(10,028)	71,223

Standard Exchange Company (UK) Limited

Balance Sheet

As at 31 December, 2016

Particulars	Notes	Amount in £	
		2016	2015
FIXED ASSETS			
Tangible assets	5	24,487	30,564
CURRENT ASSETS			
Debtors (amounts falling due within one year)	6	172,971	184,402
Cash at bank and in hand		70,464	31,933
		<u>243,435</u>	<u>216,335</u>
CREDITORS: Amounts falling due within one year	7	<u>139,034</u>	<u>107,983</u>
NET CURRENT ASSETS		<u>104,401</u>	<u>108,352</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>128,888</u>	<u>138,916</u>
CAPITAL AND RESERVES			
Called up share capital	8	300,000	300,000
Profit and loss account	9	(171,112)	(161,084)
SHAREHOLDERS' FUNDS		<u>128,888</u>	<u>138,916</u>

For the year ending 31 December 2016 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 24 January 2017 and signed on their behalf by



Mr. KAZI AKRAM UDDIN AHMED
Director
Standard Exchange Co. (UK) Ltd.



MAMUN-UR-RASHID
Director
Standard Exchange Co. (UK) Ltd.



Mr. MUHAMMAD ABDUL AHAD
CEO (CURRENT IN CHARGE)

Standard Exchange Company (UK) Limited

Notes to the Accounts

For the year ended 31 December, 2016

1. ACCOUNTING POLICIES

1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1b. Cash Flow Statement

The Company is exempt from including a statement of cash flows in its accounts in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015).

1c. Going Concern

These financial statements have not been prepared on the going concern basis.

1d. Depreciation

Short Leasehold Properties	straight line 15 Years%
Plant and Machinery	reducing balance 20%
Fixtures and Fittings	reducing balance 20%

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

1e. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

1f. Financial Guarantees

The company has not adopted amendments to FRS 26 in relation to financial guarantee contracts. Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2. TURNOVER

The turnover and pre-tax result is attributable to MONEY REMITTANCE .

	Amount in £	
	2016	2015
Remittance Commission	122,420	238,447
Exchange Gains	95,647	158,066
Other trading income	11,600	20,600
	<u>229,667</u>	<u>417,113</u>

3 OPERATING PROFIT

Operating Profit is stated after charging:

Depreciation	7,081	5,896
Auditors' remuneration	2,400	-
	<u>9,481</u>	<u>5,896</u>

4. TAX ON ORDINARY ACTIVITIES

5. TANGIBLE FIXED ASSETS

	Short Leasehold Properties	Plant and Machinery	Fixtures and Fittings	Total
	£	£	£	£
Cost				
At 1 January 2016	17,733	22,896	42,118	82,747
Additions	-	754	250	1,004
At 31 December 2016	<u>17,733</u>	<u>23,650</u>	<u>42,368</u>	<u>83,751</u>
Depreciation				
At 1 January 2016	8,274	14,949	28,960	52,183
For the year	2,660	1,740	2,681	7,081
At 31 December 2016	<u>10,934</u>	<u>16,689</u>	<u>31,641</u>	<u>59,264</u>
Net Book Amounts				
At 31 December 2016	<u>6,799</u>	<u>6,961</u>	<u>10,727</u>	<u>24,487</u>
At 31 December 2015	<u>9,459</u>	<u>7,947</u>	<u>13,158</u>	<u>30,564</u>

Amount in £**31.12.2016****31.12.2015****6. DEBTORS**

Amounts falling due within one year:

Trade debtors	37,460	48,890
Other debtors	135,511	135,512
	<u>172,971</u>	<u>184,402</u>

Other Debtor includes Suspense A/C balance of £ 126764

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Taxation and social security	-	1
Other creditors	139,034	107,982
	<u>139,034</u>	<u>107,983</u>

8. SHARE CAPITAL**Allotted, issued and fully paid:**

300000 ORDINARY SHARES of £ 1 each	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

9. PROFIT AND LOSS RESERVE

Opening balance	(161,084)	(232,307)
(Loss) / Profit for the year	(10,028)	71,223
	<u>(171,112)</u>	<u>(161,084)</u>

10. TRANSACTIONS WITH DIRECTORS

No transaction were undertaken between the directors and the company.

11. CONTROLLING PARTY

The company is 100% subsidiary of Standard Bank Limited (Bangladesh) and the parent company has full control over the management of the business.

Standard Exchange Company (UK) Limited

Trading and Profit and Loss Account

For the year ended 31 December, 2016

	Amount in £	
	31.12.2016	31.12.2015
Turnover	2,29,667	417,113
Cost of Sales:		
Gross Profit	<u>2,29,667</u>	<u>417,113</u>
	2,29,667	417,113
Less:		
Distribution costs	2,117	6,349
Administrative expenses	<u>237,578</u>	<u>339,541</u>
	2,39,695	345,890
Net (loss) / profit for the year before taxation	<u>(10,028)</u>	<u>71,223</u>
Net (loss) / profit for the year after taxation	(10,028)	71,223
Retained losses brought forward	(1,61,084)	(232,307)
Retained losses carried forward	<u>(171,112)</u>	<u>(161,084)</u>

This page does not form part of the Company's Statutory Accounts and is prepared for the information of the Directors only.

Standard Exchange Company (UK) Limited

Profit and Loss Account Summaries

For the year ended 31 December, 2016

	Amount in £	
	31.12.2016	31.12.2015
Distribution Costs:		
Advertising and sales promotion	1,310	4,332
Travel & subsistence	807	1,617
Staff entertaining	-	400
	<u>2,117</u>	<u>6,349</u>
Administrative Expenses:		
Rent, rates & building insurance	48,817	50,377
Insurance	-	1,791
Water, gas & electricity	3,116	3,295
Cleaning	1,572	1,200
Repairs and renewals	3,971	2,755
Salaries & Wages including NIC	65,287	78,597
Staff welfare	1,261	9,228
Training	565	5,345
Accountancy fees	3,500	3,500
Professional fees	5,360	-
Business Development Costs	2,750	2,000
Legal costs (revenue)	12,135	350
Auditors fees	2,400	-
Printing, postage, stationery & office supplies	1,557	1,901
Computer Expenses	439	1,253
Telephone, internet & fax	863	671
Fees & subscriptions	758	773
Security services	-	270
Compliance Fee	425	6,444
Bank charges & commissions	67,537	162,789
Sundry expenses	8,184	1,106
Depreciation and Amortisation:		
Depreciation of short leasehold properties	2,660	1,182
Depreciation of plant and machinery	1,740	1,425
Depreciation of fixtures and fittings	2,681	3,289
	<u>237,578</u>	<u>339,541</u>

This page does not form part of the Company's Statutory Accounts and is prepared for the information of the Directors only.

Standard Exchange Company (UK) Limited

Corporation Tax Computation

For the period 01/01/2016 - 31/12/2016

	£	£
Loss as per Accounts 01/01/2016 - 31/12/2016 Add:		(10,028)
Depreciation & Asset Disposal	7,081	7,081
Less:		
General Pool Allowances	9,164	(9,164)
Trading Loss		(12,111)
Capital Allowances		General Pool
01/01/2016-31/12/2016 pool b/f	49,906	
additions	1,004	
disposals	50,910	
wda	(18%) 9,164	9,164
wdv	41,746	
Corporation tax chargeable Net trading and professional profits	.00	
Bank building society or other interest and profits	.00	
Income from UK land and buildings	.00	
Annual profits and gains not falling under any other heading	.00	
Profits before charges and reliefs	.00	
Profits chargeable to corporation tax Totals Tax	.00	
Tax Payable	.00	
Tax reconciliation		
MEMO: Summary of trading losses		
Trading Loss	12,111	
Trading Loss Remaining	12,111	
Losses brought forward	83,918	
Losses carried forward	96,029	

**STANDARD CO (USA) INC.
FINANCIAL INFORMATION**

STANDARD CO.(USA) INC. D/B/A: STANDARD EXPRESS

Financial Statements

For the Year Ended 31 December 2016

COMPANY INFORMATION

Incorporated

1 February, 2010

Registration Number

(EIN) 27-2112554

Ownership

100% share owned by Standard Bank Ltd, Bangladesh

Directors

Mr Kazi Akram Uddin Ahmed Appointed on 1 Feb, 2010
Mr Md Nazmus Salehin, appointed From Nov 23, 2013 to Oct 31, 2016
Mr Md. Mamun-Ur-Rashid Appointed on 01 Nov, 2016
Mr Mohammed A Malek Appointed on 1 Feb, 2010

Chief Executive Officer

Mohammed A Malek Appointed on 1 Feb, 2010

Registered Office

37-22 73rd Street #2B

Jackson Heights, NY 11372

Main Branch 37-22 73rd Street #2B Jackson Heights, NY 11372

Jamaica Branch 167-15 Hillside Avenue Jamaica, NY -11432

Ozone Park mBranch 75-15 101 Avenue Ozone Park, NY 11416

Brooklyn Branch 490 McDonald Ave Brooklyn, NY 11218

Bronx Branch 2156 Starling Ave Bronx, NY 10462

Jackson Heights Branch 3722 73 Street #A2 Jackson Heights, NY 11372

Los Angeles Branch 4151W 3rd Ave, Unit-A Los Angeles, CA 90020

Banker

Habib American Bank 99 Madison Ave NY 10016

Auditors

KM Haque CPA, PC. 70-44 Boardway,
Jackson Heights NY 11372

STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Directors' Report

For the year ended 31 December, 2016

The Directors present their report and the financial statements for the year ended 31st December 2016.

Principal Activity

The principal activity of the company in the period under review was that of money transfer.

Directors

Kazi Akram Uddin Ahmed, Md Nazmus Salehin (Until October 31, 2016), Mamun-Ur-Rashid (From Nov 01, 2016) and Mohammed A Malek have held office for the year ended 2016.

Directors Responsibilities

The directors are required to :

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare financial statements on going concern basis

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy of the financial position of the company at any time and ensure that the financial statements comply with the International Accounting Standard (IAS) and Generally Accepted Accounting Principles (GAAP). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

Reporting Accountants

The financial statements have been prepared by the in-house accountant of the company in accordance with International Financial Reporting Standards and Generally Accepted Accounting principles (GAAP).

These financial statements have been audited and certified by KM Haque, CPA appointed by the management.

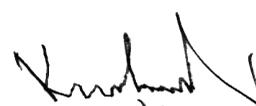
This report was approved by the Management and signed on its behalf by:



Mohammed A. Malek
Chief Executive Officer & Director
Standard Co. (USA) Inc.
37-22 73 Street, #2B
Jackson Heights, NY 11372



Mamun-Ur-Rashid
Director
Standard Co. (USA) Inc.
37-22 73 Street, #2B
Jackson Heights, NY 11372



Kazi Akram Uddin Ahmed
Chairman
Standard Co. (USA) Inc.
37-22 73 Street, #2B
Jackson Heights, NY 11372

STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Profit and Loss Accounts

For the year ended 31 December, 2016

	Dec 16		Dec 15	
	\$		\$	
INCOME				
Commission	201,629.99	-	195,553.52	-
Exchange Gain	951,723.62	-	976,555.63	-
Interest Income	5,518.96	-	2,613.14	-
Other Income	613.80	-	698.35	-
Total Income	1,159,486.37	-	1,175,420.64	-
Total Expenses	1,092,979.24	-	1,002,293.91	-
Operating Profit/(Loss)	66,507.13	-	173,126.73	-
Profit/(Loss) on Ordinary Activities Before Tax	66,507.13	-	173,126.73	-
Tax on profit on ordinary Activities				
Profit/(Loss) on Ordinary Activities After Tax	66,507.13	-	173,126.73	-
Dividends				
Retained profit/(Loss) for the Year	66,507.13	-	173,126.73	-
Retained profit/(Loss) Brought forward	(181,299.57)	-	(354,426.30)	-
Appropriation Accounts				
Retained profit/(Loss) Carried Forward	(114,792.44)	-	(181,299.57)	-



Authorised Signature
Accountant



Authorised Signature
President & CEO

K.M. Haque, CPA, P.C.

K.M. HAQUE, CPA, P.C.
Certified Public Accountant
70-44 Broadway
Jackson Heights, NY 11372
(718) 478-7071

STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Balance Sheet

As at 31 December, 2016

			Rate 1 USD= Rate 1 USD=	Dec15 Dec16
	Notes	Dec 16 \$	Dec 15 \$	
Fixed Assets				
Tangible Assets	6	156,581.38	0	200,157.46
Current Assets				
Rent Deposits		41,090.00	0	41,090.00
Pre-Paid Expense		9,066.21	0	8,957.14
Suspense Account(Money theft In Brooklyn Branch)		19,171.92		38,343.96
Deffered Expense-Preliminary Expense		83,742.26	0	91,383.26
Cash at Bank and in hand		1,128,864.78	0	1,072,886.86
		1,281,935.17	0	1,252,661.22
Creditors Amounts falling due within one year	7	153,308.99	0	234,118.25
Net Current Assets (Liabilities)		1,109,454.26	0	980,199.01
Total Assets less Liabilities		1,285,207.56	0	1,218,700.43
Creditors Amounts falling due after more than one year		0		0
Capital and Reserves				
Paid up Capital (Capital Reserves)	8	1,400,000.00	0	1,400,000.00
Retained Profit and Loss Account		-114,792.44	0	-181,299.57
Shareholders' Equity		1,285,207.56	0	1,218,700.43

The notes on pages 6 and 7 form an integral part of these financial statements.



Authorised Signature
Accountant



Authorised Signature
President & CEO

K.M. Haque, CPA, P.C.

K.M. HAQUE, CPA, P.C.
Certified Public Accountant
70-44 Broadway
Jackson Heights, NY 11372
(718) 478-7071

STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Notes to the Monthly Accounts

For the year ended 31 December, 2016

1. Accounting Policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities .

(b) Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements"

(c) Depreciation

- i. Leasehold Improvement has been depreciated over 10 years on a straight line basis.
- ii. Tangible Assets has been depreciated over 5 years on straight line basis.

(2) Income

Total income comprises the value of commissions earned, exchange gains and interest earned on Habib bank CD Accounts.

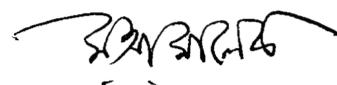
3- Operating Profit/(Loss)

Operating profit/(Loss) is stated after charging : \$

	<u>Dec 16</u>	<u>Dec 15</u>
Depreciation	43,576.08	42,649.55
Amortization Expense	7,641.00	7,641.00
	51,217.08	50,290.55
4. Salary and Wages	<u>Dec-16</u>	<u>Dec-15</u>
Total Salary and wages	401,687.50	364,918.00
	401,687.50	364,918.00
Taxation Dec-16	Dec-16	Dec-15
\$ USA current period taxation		



Authorised Signature
Accountant



Authorised Signature
President & CEO

K.M. Haque, CPA, P.C.

K.M. HAQUE, CPA, P.C.
Certified Public Accountant
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STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Notes to the Accounts

For the year ended 31 December, 2016

6. Fixed Asset			Dec15 Dec16
	Fixure & Fittings	Plant & Machinery	TOTAL
	\$	\$	
Cost			
At 1st Jan 2016		104715.44	340007.34
Additions			0.00
Disposals			0.00
At 31st Dec, 2016	235,291.90	104715.44	340007.34
Depreciation			
At 1st Jan 2016	68,021.10	71,828.78	139849.88
Additions			
Disposals			0.00
Charge for This year 2016	22,638.60	20,937.48	43576.08
At 31st Dec, 2016	90,659.70	92,766.2	183425.96
NBV at 31st Dec 2016	1,44,632.20	11,949.18	156,581.38
7 Creditors: Amounts falling due within one year	Dec-16		Dec-15
Accounts Payable	\$		\$
Salaries & Wages Payable	29,445.93		23,726.85
Payable to Parent Company	47,908.86		116,863.83
Payroll withholding and Tax payable	9,198.20		6,883.57
Remittance Payable	66,756.00		86,644.00
	153,308.99		234,118.25
8. Paid up Capital			
Opening Share Capital	1,400,000.00		1,400,000.00
Addition for the Period			
Retained Profit(Loss)	(114,792.44)		(181,299.57)
Share Capital at Balance Sheet date	1,285,207.56		1,218,700.43

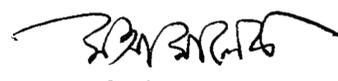
9. Ultimate Parent Company

The parent company is Standard Bank Limited (SBL) was incorporated as a Public Limited Company on May 11, 1999 under the Companies Act, 1994 in Bangladesh All information and Financial statements of its parent company can be found at www.standardbankbd.com

10. Related Party Disclosures

The company is exempt from making disclosures of transactions with group companies because it is a 100% subsidiary and its results are included in financial statements which are publicly available.


 Authorised Signature
 Accountant


 Authorised Signature
 President & CEO

K.M. Haque, CPA, P.C.

K.M. HAQUE, CPA, P.C.
 Certified Public Accountant
 70-44 Broadway
 Jackson Heights, NY 11372
 (718) 478-7071

STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Detailed Profit and Loss Accounts

For the year ended 31 December, 2016

	Dec16	Dec15		
	\$	\$		
Turnover				
Commission	201,629.99	195,553.52	-	-
Exchange Gains-Standard Bank	915,318.88	929,803.72	-	-
Exchange gain-Agrani Bank	7,605.20	11,131.24	-	-
Exchange Gains-Uttara Bank	10,882.20	15,466.04	-	-
Exchange Gain-Dutch Bangla Bank	15,846.84	20,154.63	-	-
Exchange Gain-Pubali Bank	2,070.50	-	-	-
Interest Income	5,518.96	2,613.14	-	-
Other Income	613.80	698.35	-	-
	<u>1,159,486.37</u>	<u>1,175,420.64</u>	-	-
Administrative expenses				
Advertisement & publicity	19,105.00	21,495.00	-	-
Amortization Expense	7,641.00	7,641.00	-	-
Armoured Services	32,598.93	32,831.27	-	-
Assesment Fees to NYSBD	19,003.65	19,794.46	-	-
Assesment Fees to CA DBO	2,694.00	2,708.00	-	-
Bank Service Charges	86,768.50	87,109.59	-	-
Bond Premium- CA Branch	3,750.00	4,437.50	-	-
CA Payroll Tax	1,214.80	883.98	-	-
Cleaning	9,717.91	8,697.00	-	-
Depreciation	43,576.08	42,649.55	-	-
Director Honorarium	2,000.00	2,000.00	-	-
Examination Fee	21,496.40	14,175.00	-	-
Incidental Loss	19,692.04	19,881.04	-	-
Festival Bonus	17,000.00	10,400.00	-	-
Insurance Expense	27,823.36	22,605.55	-	-
Loss of Asset Disposal	-	10,792.00	-	-
Meal and Entertainment	6,677.36	7,275.49	-	-
Hotel and Accommodation	275.75	2930.8	-	-
Moving and transportation	-	-	-	-
Office Expense	1,704.32	1,891.51	-	-
Office Supply	15,590.39	19,973.85	-	-
Payee Service Fee-Agrani Bank	1,985.94	4,097.36	-	-
payee Service Fee-Pubali Bank	633.17	-	-	-
Payroll-Salaiy	401,687.50	364,918.00	-	-
Postage and Delivery	436.69	640.77	-	-
Payroll-Taxes IRS	32,029.72	28,040.57	-	-
Payroll-Tax FUTA	857.47	1,512.00	-	-
Payroll-Taxes NYS	3,293.21	3,983.61	-	-
Corporation Tax-State	6,056.72	5,178.05	-	-
Printing & Design	3,710.00	1,285.21	-	-
Promotional & Flier Distribution	89500	413.00	-	-
Professional Fees	24,004.25	17,709.61	-	-
Real Estate Tax	2,732.00	-	-	-
Rent	201,095.28	176,569.93	-	-
Security Expense	8,144.40	7,570.45	-	-
Software Lease	18,500.00	2,210.00	-	-
Repair & Maintanace	5,105.93	6,110.79	-	-
Telephone & internet	17,319.87	18,850.66	-	-
Travel & Conveyance	11,250.38	13,082.54	-	-
Utilities	14,912.22	9,948.77	-	-
	<u>1,092,979.24</u>	<u>1,002,293.91</u>	-	-
	66,507.13	173,126.73	-	-

Net profit/Loss for the Period Ended Dec 31, 2016 **66,507.13**

Yearly Statement Of Financial Position Of Exchange Houses / Representative Office / Subsidiaries
STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS
Yearly Statement of Affairs on 31.12.2016

SL	Particulars	Amount in USD	BDT
A.	Property and Assets	1,438,516.55	0.00
01	Cash in Hand	340,592.33	0.00
02	Balance with Central Bank		
03	Balance with Other Banks	777,942.45	0.00
04	Prepaid Expenses	9,066.21	0.00
05	Other Receivables (Accounts receivable)	10,330.00	0.00
06	Money at call and short notice		
07	Loans and advances (Rent Deposit)	41,090.00	0.00
08	Suspense Account (Money Theft in Brooklyn Branch)	19,171.92	
09	Fixed Assets	156,581.38	0.00
10	Head Office General Account		
11	Others (Preliminary expenses)	83,742.26	0.00
B.	Liabilities	153,308.99	0.00
01	Money at call & short notice		
02	Accrued Expenses (Payroll-Salary payable)	29,445.93	
03	Other Payables (Payroll withholding & tax payable, Remittance payable)	75,954.20	0.00
04	Provision for Tax		
05	Provision against Loans and Advances		
06	Provision for diminution in value of investment		
07	Other Provisions		
08	Profit Transferable to Owners' fund		
09	Head Office General Account (Payable to parent Company)	47,908.86	
10	Loan from Holding Co.		
C.	Net Assets (A-B)	1,285,207.56	0.00
01	Owners' Capital	1,400,000.00	0.00
02	Retained Profit & Loss	-114,792.44	0.00
D.	Owners Fund	1,285,207.56	0.00



Authorised Signature
Accountant



Authorised Signature
President & CEO

(N.B: Explanatory notes to be annexed in case of any term where it is necessary to make the facts clear)

K.M. Haque, CPA, P.C.

K.M. HAQUE, CPA, P.C.
Certified Public Accountant
 70-44 Broadway
 Jackson Heights, NY 11372
 (718) 478-7071

BRANCH NETWORK

Standard Bank Limited Branch Network

DHAKA ZONE

- | | | | |
|-----------------------------------|---|------------------------------------|--|
| 1. Principal Branch | Principal Branch
Metropolitan Chamber & Commerce Building (Ground floor), 122-124, Motijheel C/A., Dhaka-1000.
(M) 01714090778
(2nd Man) 01819 262898
9560299, 9559044, 9570893
pbmanager@standardbankbd.com
principal@standardbankbd.com | 7. Dhanmondi Branch | Dhanmondi Branch
Renema Garden (2nd Floor) Shahid Sheikh Kamal Sarani House # 275/K (Old), 32 (New), Road # 27(Old), 16 (New), Dhanmondi R/A, Dhaka-1209.
(M) 01811483830
(2nd Man) 01680-552811
58156621, 9145737
dhnmanager@standardbankbd.com
dhanmondi@standardbankbd.com |
| 2. Imamgonj Branch | Imamgonj Branch
Bellal Market, 79, Moulvibazar, Dhaka-1100.
(M) 01711648615, 01911093132
(2nd Man) 01819434858
7316820, 7342525, 7311243
imgmanager@standardbankbd.com | 8. Uttara Model Town Branch | Uttara Model Town Branch
Plot #113/C, Road-7, Sector-4, Uttara Model Town, Dhaka 1230.
(M) 01755500237
8955171, 8955172, 58955349, 58955351
(Fax) 7911469
suruj@standardbankbd.com
uttara@standardbankbd.com |
| 3. Topkhana Road Branch | Topkhana Road Branch
36, Crescent Center, 1st Floor, Topkhana Road, Dhaka-1000.
(M) 01552376594, 01713062699
(2nd Man) 01972184161, 01715228818
02-9582060, 02-7125683
topmanager@standardbankbd.com | 9. Takerhat Branch | Takerhat Bazar Branch
UP Road, Takerhat Bazar, Rajoir, Madaripur
(M) 01712-599795
(2nd Man) 01720093904,
01712757967
tkhmanager@standardbankbd.com |
| 4. Gulshan Branch | Gulshan Branch
32 Shezad Palace (1st & 2nd Floor), Gulshan Avenue, North Commercial Area, Dhaka-1212.
(M) 01940301114, 01714136686
(2nd Man) 01730000437
9881015, 8852679, 8861232, 9880452,
9885164
gulmanager@standardbankbd.com
gulshan@standardbankbd.com | 10. Panthapath Branch | Panthapath Branch
77, Bir Uttam C.R. Dutta Road, Free School Street, Hatirpool, Dhaka.
9667125(M),9667126(Br.),
01818 182196, 01730015104 (M),
9666521
panthopath@standardbankbd.com |
| 5. Munshikhola Branch | Munshikhola Branch
Dhaka-Nararongj Road, Pagla, Munshikhola, Shampur, Dhaka 1204.
(M) 01714096158, 01957793859
(2nd Man) 01721637554
02-7448979
munmanager@standardbankbd.com
munshikhola@standardbankbd.com | 11. Gulshan-1 Branch | Gulshan-1 Branch
Uday Tower, 57 & 57A, Gulshan Avenue (South), Circle-1, Gulshan, Dhaka
(M) 01817506293
(2nd Man) 01817630133
9862111, 9840907, 9840906
gul1manager@standardbankbd.com
gulshan1@standardbankbd.com |
| 6. Foreign Exchange Branch | Foreign Exchange Branch
NIK Tower, 55, Dilkusha C/A., (2nd & 3rd Floor), Dhaka-1000.
(M) 01755680437
02-9571933, 9574356, (Fax) 9586864
fexmanager@standardbankbd.com
foreignexchange@standardbankbd.com | 12. Narayanganj Branch | Narayanganj Branch
Khan Super Market, 47/9 BB Road, DIT, Narayanganj
(M) 01716708042
(2nd Man) 01765588575
027646153, 027647082
nrgmanager@standardbankbd.com |

- | | | | | | |
|----|-----------------------------------|--|-----|-----------------------------------|--|
| 13 | Ekoria (Keranigonj) Branch | Ekoria (Keranigonj) Branch
(Near at China BD Friendship Bridge-1), Hasnabad, Ekoria, South Keranigonj, Dhaka

(M) 01711-462440, 01926-301665
(2nd Man) 01914-393139, 01974-393139
02-7761100, 02- 7763712
ekomanager@standardbankbd.com | 20. | Pragoti Sharani Branch | Pragoti Sharani Branch
KA-70, Hazi Ahmed Plaza (1st Floor), Pragati Sharani, Kuril, PO-Khilkhet, PS-Vatara, Dhaka 1229.

(M) 01733629472, 01676989587
028410225, 028410227, Fax: 028410226
pramanager@standardbankbd.com
prgotisharani@standardbankbd.com |
| 14 | Gopalganj Branch | Gopalgonj Branch
City Square Shopping Mall, College Road, Gopalgnoj

6681570-1, 01718-502269(M), 01554237840 (2nd Man)
gopalgonj@standardbankbd.com | 21. | Nawabpur Road Branch | Nawabpur Road Branch
Shahi Bhaban (1st floor), 106, BCC Road, Thatari Bazar, Dhaka 1203.

(M) 01715 364865
(2nd Man) 01675694785
02-9512138, 02-9512140, 02-9512139
nbpmanager@standardbankbd.com
nawabpur@standardbankbd.com |
| 15 | Banani Branch | Banani Branch
Plot # 98, Road-11, Bloc-C, Banani, Dhaka.

9889545(M), 8829022, 01711675320(M), 01712288608 (2nd Man), 9820304
banani@standardbankbd.com | 22. | Shafipur Branch | Shafipur Branch
Shapna Joy Tower (1st Floor), Shafipur Bazar, Kaliakair, Gazipur.

(M) 01717095055
(2nd Man) 01716004886
0682251058, 0682251059
shafipur@standardbankbd.com |
| 16 | Dakkhinkhan Branch | Dakkhin Khan Branch
57, Dakkhin Khan Bazar, Sultan Market , P.O + P.S- Dakkhin Khan, Dhaka-1230.

(M) 01713 078155
(2nd Man) 01914626760
8956056, 8999559.
mgrahman1230@gmail.com
dkbmanager@standardbankbd.com | 23. | Kamarpara Branch | Kamarpara Branch
A. R. Complex, 75 Kamarpara, Uttara, Turag, Dhaka.

(M) 01712248234
8981591-2
kammanager@standardbankbd.com
kanmanager@standardbankbd.com |
| 17 | Mirpur Branch | Mirpur Branch
Northern Lion's R.P. Tower (1st Floor), Plot-4, Block-D, Section-2, Chiriakhana Road, Mirpur, (Near Sony Hall) Dhaka 1216.

(M) 01726176601
(2nd Man) 01971850130
9014059, 9014060
mirmanager@standardbankbd.com
mirpur@standardbankbd.com | 24. | Gazipur SME/ Krishi Branch | Gazipur SME/Krishi Branch
Sahabuddin Complex (1st floor), 168, Joydebpur Bazar, Gazipur 1700.

(M) 01713585638
(2nd Man) 01921-855625
9264263, 9264155
joydevmanager@standardbankbd.com |
| 18 | Matuail Branch | Matuail Branch
Momenbagh Chowrasta, Paradogair, Konapara, Matuail, Demra, Dhaka-1362

(M) 01912 965887
(2nd Man) 01710513862
02 7559147
matmanager@standardbankbd.com | 25. | Green Road Branch | Green Road Branch
Castle Green (1st floor), 142 Green Road, Dhaka.

(M) 01755 569088
(2nd Man) 01711403639,
01718646006,
9102770, 9102771, 9120366
gremanager@standardbankbd.com
green@standardbankbd.com |
| 19 | Kotalipara Branch | Kotalipara Branch, Gopalgonj
K.M. Super Market (1st Floor), Ghagor Bazar, Kotalipara, Gopalgonj.

(M) 01719-816944
(2nd Man) 01721-097008 02-6651277
kotmanager@standardbankbd.com
kotalipara@standardbankbd.com | 26. | Savar SME/Krishi Branch | Savar SME/Krishi Branch
B-66, Bazar Road, Savar-1340, Dhaka

(M) 01762120185
(2nd Man) 01911768833 7745991-2
savarmanager@standardbankbd.com |

- 27 **Mymensingh Branch** **Mymensingh Branch**
27, Rambabu Road, Canada Square Shopping Complex, Mymensingh.

(M) 01712000663
(2nd Man) 01918-916683
091- 63530(M) & 63532(Br.),
mymensingh@standardbankbd.com
- 28 **Bhairab SME/Krishi Branch** **Bhairab SME/Krishi Branch**
Bismillah (NET) Tower, Holding No. 806, Ranir Bazar, Bhairab, Kishorgonj.

(M) 01711 245471
(2nd Man) 01711315715,
01712087900
02-9471301-2
bhairabmanager@standardbankbd.com
bhairab@standardbankbd.com
- 29 **Faridpur Branch** **Faridpur Branch**
R.K. Plaza (1st floor), 244 Goalchamot, Hazralota, Faridpur Sadar, Faridpur

(M) 01712288608
(2nd Man) 01911 530605,
01911530685
0631-61875, 61877
frdpmanager@standardbankbd.com
faridpur@standardbankbd.com
- 30 **Ring Road Branch** **Ring Road Branch**
Probal Tower, 45-49 Ring Road (1st floor), Adabor-Shamoly, Dhaka.

(M) 01977729059
(2nd Man) 01674992926, 9103413- 4(M)
ringroad@standardbankbd.com
- 31 **Shibchar Branch** **Shibchar Branch**
286 Iman Gomosta Market (1st floor), Guatola, Shibchar, Madaripur.

(M) 01715888866
(2nd Man) 01914-166578, 01718-344149,
01712502562 0662456500
shibcmanager@standardbankbd.com
shibchar@standardbankbd.com
- 32 **Mohammadpur Branch** **Mohammadpur Branch**
Manama Turag (1st Floor), 14/23 Shahjahan Road, Block-A, Mohammadpur, Dhaka-1207.

(M) 01912 110778
(2nd Man) 01710 609961
02-9110630, 9110705
mohdmanager@standardbankbd.com
mohammadpur@standardbankbd.com
- 33 **Nawabgonj Branch** **Nawabgonj Branch**
Nawabgonj Adhunik Biponi, Zilla Parishad Market, Nawabgonj, Dhaka.

(M) 01716-339111
(2nd Man) 01732 997850
nbgmanager@standardbankbd.com
- 34 **Malibagh Branch** **Malibagh Branch**
Faith Tower (1st Floor & 2nd Floor), 476/A, DIT Road, Malibagh, Dhaka-1217

(M) 01714204450
(2nd Man) 01717-053070
880-2-9331929, 9331790, 9335293
malimanager@standardbankbd.com
malibag@standardbankbd.com
- 35 **Ashkona Branch** **Ashkona Branch**
247 Dana Plaza, Ashkona, Dakkhinkhan, Dhaka 1230.

(M) 01715 366786
(2nd Man) 01715298460
02-8961823, 025-8951540, 025-8961830
sultanasbl@gmail.com
ashkmanager@standardbankbd.com
- 36 **Kanchpur Branch** **Kanchpur Branch,**
Narayangonj
Jamir Khan Complex (1st Floor), Kanchpur Bus Stand, Kanchpur, Sonargoan, Narayangonj.

(M) 01711008137, 01676989587
(2nd Man) 01839948576, 01715173791
nurulsbl72@yahoo.com
kanchpur@standardbankbd.com
- 37 **Tangail Branch** **Tangail Branch**
Khan Super Market, Holding -533, Ward-13, Tangail Pouroshova, Tangail

(M) 01988 287742
(2nd Man) 01727700925,
01743601641, 0921-61774, 61746
tanmanager@standardbankbd.com
tangail@standardbankbd.com
- 38 **Mohakhali Branch** **Mohakhali Branch, Dhaka**
Green Delta Aims Tower (GF), 51-52, Mohakhali C/A., Mohakhali, Dhaka

(M) 01716-224310
(2nd Man) 01716 222146
9855478, 9855480, 9855487, 9855476
mohamanager@standardbankbd.com
mohakhali@standardbankbd.com
- 39 **Bakshigonj Branch** **Bakshigonj Branch**
Sawdagor Shopping Complex (1st floor), Old Bus Stand Road, Bakshigonj, Jamalpur

(M) 01734498448, 01620519209
09822-56136-37
bakshmanager@standardbankbd.com
bakshigonj@standardbankbd.com
- 40 **Bhojeshwar Branch** **Bhojeshwar Branch**
Shahnour Shopping Complex (1st floor), Bhojeshwar Bazar, College Road, Naria, Shariatpur.

(M) 01720939040
(2nd Man) 01913 362545
bhojeshwar@standardbankbd.com

41	Tungipara Branch (Patgati Bazar)	Tungipara Branch/ Patgati Br. Rahima-Rangu Plaza (1st Floor), Patgati Bazar, Tungipara, Gopalgonj (M) 01916481111 (2nd Man) 01911785635, 01711230039 6656253, 6656254 tungimanager@standardbankbd.com	48	Kholamora Branch	Kholamora Branch Aziz Super Market (1st Floor), Kholamora Launch Ghat, Samaruddin Nagor, Ward- 2, Kholamora, South Keranigonj, Dhaka-1312 (M) 01716591439 kholamora@standardbankbd.com
42	New Eskaton Branch	New Eskaton Branch 129, New Eskaton Road, Eskaton Tower, Mogbazar, Ramna.Dhaka-1000 (M) 01711 934385 (2nd Man) 01710411727 9341993, 9341984, 9341867 eskatonmanager@standardbankbd.com neweskaton@standardbankbd.com	49	Hemayetpur Branch	Hemayetpur Branch Maolana Shopping Complex, Hemayetpur, Savar, Dhaka (M) 01719988424 hemayetpur@standardbankbd.com
43	Sonargaon Janapath Branch	Sonargaon Janapath Branch Muktijoddha K.S. Tower (1st Floor), Sonargaon Janapath Avenue, House-01, Road-17/B, Sector-12, Uttara, Dhaka-1230 (M) 01719988424 8955158, 5085398 sjpmanager@standardbankbd.com	50	Goalanda Branch	Goalanda Branch Akbar Plaza (1st Floor), Ahladipur, Goalanda More, Rajbari (M) 01768444440 goalanda@standardbankbd.com
44	Aganagar Branch	Aganagar Branch Haji Alim Ullah Complex, East Aganagar, South Keranigonj, Dhaka (M) 01922755875, 01746660008 (2nd Man) 01716286245, 1834166795 02-7762380, 7762370 aganagar@standardbankbd.com	51	Madhabdi Branch	Madhabdi Branch MMK Tower (1st Floor), Madhabdi Bazar, College Road, Anondimoor, Madhabdi, Narshin- di (M) 01819830832 madhabdi@standardbankbd.com
45	Ashulia Branch	Ashulia Branch Bhai Bhai Plaza (1st floor), Bogabari, Baipail, Ashulia, Savar, Dhaka. (M) 01929-764524, 01731-630094, (2nd Man) 01712-352377, 01948-340766, 7790004, 7790005 ashuliamanager@standardbankbd.com ashulia@standardbankbd.com	CHITTAGONG ZONE		
46	Banti Bazar Branch	Banti Bazar Branch Hazi Musa Plaza (1st Floor), Banti Adarsha Bazar, Araihasar, Narayanganj (M) 01552486359, 01818246542 bantiadarshabazar@standardbankbd.com adarshamanager@standardbankbd.com	52	Khatungonj Branch	Khatungonj Branch Khatungonj Trade Centre (1st Floor), Ramjoy Mohajan Lane (Post Office Goli), Khatungonj, Chittagong. (M) 01919328491 (2nd Man) 01819611444 639594, 628424, 2857811, 2857812, 2852590, PABX: 610192, 639593 Fax-610192 ktgmanager@standardbankbd.com khatungonj@standardbankbd.com
47	Kawran Bazar Branch	Kawran Bazar Branch Hasney Tower (1st Floor) 3/A, Kawran Bazar C/A Dhaka-1215 (M) 01732656677, 01676989587 01733629472 (2nd Man) 01712352377, 01948340766 +88-02-55013234, +88-02-55013235 kawranbazar@standardbankbd.com kawranmanager@standardbankbd.com	53	Chowdhuryhat Branch	Chowdhuryhat Branch Fatehabad, Chikondandi, Hathazari, Chittagong. 683225 (M) 683342, (M) 01819-331290, 01819332303 (2nd Man) 01719212565 031683225, 031683300 chwmanager@standardbankbd.com chowdhuryhat@standardbankbd.com

- | | | | | | |
|----|------------------------------|--|----|--|---|
| 54 | Agrabad Branch | Agrabad Branch
World Trade Center Chittagong, 2nd Floor, Agrabad C/A, Chittagong

2513857(Br.),2513856(2nd),
2512515(M),2512598(credit),
2512599(IBW), 2512530,
01789373469(M),01777 888408 (2nd Man),
01819 380277 (RM),
01817-030246(RM),
agrabad@standardbankbd.com | 60 | Pahartali Branch | Pahartali Branch,
Chittagong
Abul Khair Bhaban, 20/44, D.T.
Road, CDA Market, Pahartali,
Chittagong

(M) 01817700484
(2nd Man) 01815-672575
031 2771931-3
phrmanager@standardbankbd.com
pahartali@standardbankbd.com |
| 55 | Jubilee Road Branch | Jubilee Road Branch
Aziz Chamber (1st Floor), 6 Noor
Ahmed Road, Jubilee Road,
Chittagong

(M) 01970805251
(2nd Man) 01819643648
031-610356, 031-612188, 031-627811,
031-621874, 031-621875
jubmanager@standardbankbd.com
jubilee@standardbankbd.com | 61 | Cox's Bazar Branch | Cox's Bazar Branch
Hefazat Market (1st Floor), 103,
Main Road, East Bazar Ghata,
Cox's Bazar

(M) 01815602796
(2nd Man) 01711064154
0341-51377, 0341-51378
coxmanager@standardbankbd.com |
| 56 | CDA Avenue Branch | CDA Avenue Branch (GEC More)
1000/A, Hosneara Villa (1st floor),
Nasirabad, CDA Avenue, Chittagong 4000

(M) 01819 626399
(2nd Man) 01812101840
031-656662, 031-656263
031-610029 (Fax)
cdamanager@standardbankbd.com
cdaavenue@standardbankbd.com | 62 | Nangalmora SME/
Krishi Branch | Nangalmora SME/Krishi Branch
Nangalmora High School Market
(1st floor), Nangalmora Bazar,
Hathazari, Chittagong.

(M) 01729094379, 01710999912
(2nd Man) 01711978810
nmoramanager@standardbankbd.com
nangalmora@standardbankbd.com |
| 57 | Brahmanbaria Branch | Brahmanbaria Branch
Peara Miah Tower (1st Floor), 1034,
Court Road, Brahmanbaria

(M) 01726-264854
(2nd Man) 01712 087900,
01924679184
0851-61788
kayumkhadembd@gmail.com
brahmanbaria@standardbankbd.com | 63 | Sadarghat Branch | Sadarghat Branch
291,Hourbourge Dream,
Sadarghat Road,Chittagong

(M) 01714131383
(2nd Man) 01811857161
031-619960, 619950, Fax: 619970
sadarghat@standardbankbd.com |
| 58 | Chittagong EPZ Branch | Chittagong EPZ Branch
Gazi Complex (1st Floor), Airport Road,
EPZ Gate, Bandar, Chittagong

(M) 01675767653
(2nd Man) 01819-621232
031-740912, 031-800868, 031-800168
cepzmanager@standardbankbd.com
cepz@standardbankbd.com | 64 | Comilla Branch | Comilla Branch
4/4 Kapariapatti (1st floor),
Comilla.

(M) 01819645815, 01911062119,
01913314881
081-72489, 081-72490
commanager@standardbankbd.com
comilla@standardbankbd.com |
| 59 | Bahaddarhat Branch | Bahaddarhat Branch
Manila Tower (1st Floor), 4544, Bahad-
darhat Moor, Chittagong.

(M) 01713108800, 01873108800
(2nd Man) 01819031426
031-2552512 & 031-2552513
bdhatmanager@standardbankbd.com
manjur1964@gmail.com
bahadderhat@standardbankbd.com | 65 | Basurhat Branch | Basurhat Branch, Noakhali
Rupali Plaza (1st floor), Rupali
Chattar, Bashurhat, Companigonj,
Noakhali.

(M) 01711712503
(2nd Man) 01817707342
03223-56093, 03223- 56019
basumanager@standardbankbd.com
basurhat@standardbankbd.com |

66	Oxygen More Branch	Oxygen More Branch Ali Noor Complex (1st floor), Oxygen More, Chittagong. (M) 01554315184 (2nd Man) 01612186486 031-2584461, 031-2584462 halim01190@yahoo.com oxznmanager@standardbankbd.com	73	Karnaphuli Branch	Karnaphuli Branch Haji Jafor Ahmed market (2nd & 3rd floor), Moizzartek, Chorpathorghata, Karnaphuli, Chittagong (M) 01711111269 (2nd Man) 01817-205441 031-2855002, 2855003 karnaphulimanager@standardbankbd.com karnaphuli@standardbankbd.com
67	Chaktai Branch	Chaktai Branch 330, Chaulpotti, Natun Chaktai, Bakalia, Chittagong (M) 01817753266 (2nd Man) 01712914100 031-626794, 031-626796, 031-626766 chaktai@standardbankbd.com	74	Nimsar Branch	Nimsar Branch Insaf Super Market (1st Floor), Nimsar, Burichong, Comilla (M) 01718 302344 (2nd Man) 01913314881, 01703875439 nimsarmanager@standardbankbd.com
68	Gunagari Branch	Gunagari Branch S. M. Chowdhury Super Market, Khasmohol, Gunagari, Kalipur, Banskhali, Chittagong (M) 01717-161469, 01617-161469 (2nd Man) 01818-354826, 01673-155888 03037-56308, 03037-56309 gunamanager@standardbankbd.com gunagari@standardbankbd.com	75	Feni Branch	Feni Branch Sayed Ambia Tower (1st & 2nd floor), 74-75, Trank Road, Rajbari Gate, Feni 3900 (M) 01817 757511 (2nd Man) 01923-136030 0331-61080 fenimanager@standardbankbd.com
69	Patherhat Branch	Patherhat Branch School Market (1st Floor), Noapara, Raozan, Chittagong. (M) 01819948117 (2nd Man) 01711114085 031-2572188, 031-2572199 patherhatmanager@standardbankbd.com patherhat@standardbankbd.com	76	Kumira Branch	Kumira Branch Ghatghar, Boro Kumira Sitakunda, Chittagong (M) 01818900105 0304251044 kumira@standardbankbd.com
70	Panchlaish Branch	Panchlaish Branch S.F.A. Tower (Ground Floor), Probortak More, 132 Panchlaish, Chittagong. (M) 01714 852438 (2nd Man) 01711307543 031-2558640, 2558642, 2558643 panchmanager@standardbankbd.com panchlaish@standardbankbd.com	77	Kadamtoli Branch	Kadamtoli Branch Rahat Centre, 295 D. T. Road Kadamtoli, Chittagong 01819380277, 01814816797 kadamtoli@standardbankbd.com
71	Ramchandrapur Branch	Ramchandrapur (Comilla) Branch NGS Bhaban (1st Floor), Ramchandrapur Bazar, Muradnagor (M) 01919739791 (2nd) 01711 344366 ramchadrapur@standardbankbd.com	78	Sheikh Mujib Road Branch	Sheikh Mujib Road Sekander Bhaban (1st Floor), 545, Sheikh Mujib Road, Dewanhat, Chittagong 4100 031-711467, 031-711468 skmujibroad@standardbankbd.com
72	Bakalia Branch	Bakalia Branch Hossain Tower (1st Floor), 3615/A, Shah Amanat Bridge Connecting Road, Kalamia Bazar, Bakalia, Chittagong. (M) 01815947792 (2nd Man) 01815197738 031-2866171, 031-2866172 bakalia@standardbankbd.com	79	Chittagong University Branch	Chittagong University Branch Abul Hossain Building (1st Floor) Chittagong University Gate No. 1 Hathazari Road Chittagong +88031-2601716, +88031-2601717 ctguni@standardbankbd.com

KHULNA ZONE

- 80 **Khulna Branch** **Khulna Branch**
Chamber Building, 5, K.D.A. C/A
(Ground Floor), Khulna-9100.

(M) 01825922462
(2nd Man) 01711432638
(RM) 01711896589
+88041732633,+88041732655
khlmanager@standardbankbd.com
- 81 **Benapole Branch** **Benapole Branch**
Nahar Tower, Benapole Bazar,
Benapole, Jessore

(M) 01911296474
(2nd Man) 01712036996
04228-76076
benapole@Standardbankbd.com
- 82 **Jessore Branch** **Jessore Branch**
Utshab Bhaban, 6/D, R.N. Road,
P.S.-Katwali, Dist.-Jessore

(M) 01711159073, 01913845828
(2nd Man) 01718462150
+88042168394, +88042168395
jesmanager@standardbankbd.com
- 83 **Barisal Branch** **Barisal Branch**
Mannan Plaza, 84, Sadar Road, Barisal

(M) 01720510474
(2nd Man) 01717221460
0431-61274, 0431-61273
barmanager@standardbankbd.com
barisal@standardbankbd.com
- 84 **Kushtia Branch** **Kushtia Branch**
43, N.S. Road (1st floor), Amlapara,
Kushtia.

(M) 01716346036
(2nd Man) 01966-768972
071-72458, 071-71298
kushmanager@standardbankbd.com
kushtia@standardbankbd.com
- 85 **Patuakhali Branch** **Patuakhali Branch**
Gazi Plaza (1st floor), 02 Sadar Road,
Patuakhali.

(M) 01711-001734
(2nd Man) 01786445566,
01713506181
0441-62359, 0441-65059
patuamanager@standardbankbd.com
patuakhali@standardbankbd.com
- 86 **Satkhira Branch** **Satkhira Branch**
Islam Tower, Holding No.-5043,
Ward No.-8, Pourashava Satkhira,
Thana-Satkhira Sadar,
District-Satkhira.

(M) 01711-133083,
(2nd Man) 01717-456835 047162405
satkhmanager@standardbankbd.com
satkhira@standardbankbd.com
- 87 **Bagerhat Branch** **Bagerhat Branch**, Bagerhat
119/2 K, Ali Road (1st floor), Mithapukur-
par, Amlapara, Bagerhat.

(M) 01711 942668
(2nd Man) 01711-417175
+88 0468-64202
loginpintu@gmail.com
bagermanager@standardbankbd.com
- 88 **Alamdanga Branch** **Alamdanga Branch**
640/A, London Tower (1st floor),
Alif Uddin Road, Alamdanga, Chuadanga

(M) 01974084637, 01798225565
(2nd Man) 01712023442
0762256353, 07622-56253
mondal.shubir@gmail.com
- 89 **Khan Jahan Ali Branch** **Khan Jahan Ali Branch**
Haji Hanif Complex (2nd & 3rd floor)
12-13, Khan Jahan Ali Road, Khulna

(M) 01711 352757
(2nd Man) 01917-099177, 041-731312
khanjahanalimanager@standardbankbd.
com
- 90 **Jhenaidah Branch** **Jhenaidah Branch**
Mokbul Hossain Plaza (1st Floor)
250 H.S.S. Road, Jhenaidah Sadar
Jhenaidah

(M) 01742997974
(2nd Man) 01718455152, 01742273017
jhenaidah@standardbankbd.com
jhenaidahmanager@standardbankbd.com
- 91 **Chuadanga Branch** **Chuadanga Branch**
Joarder Tower, (1st Floor),
10,Shahid Abul Kashem Sarok, Badurtola,
Chuadanga

0761-81149, 0761-81150
chuadangamanager@standardbankbd.com
- 92 **Mathbaria Branch** **Mathbaria Branch**
Haji Adam Ali Khan Supar Market (1st &
2nd Floor),
288 Pharmacy Road,
Mathbaria, Pirojpur

(M) 01711001734
mathbaria@standardbankbd.com
- 93 **Rajshahi Branch** **Rajshahi Branch**
M K Tower, 28 Gonokpara, Ward No.-12,
P.S.-Boalia, Rajshahi 6100

(M) 01715249880
(2nd Man) 01712137978
0721-811981, (Fax) 0721-811982
rajmanager@standardbankbd.com
rajshahi@standardbankbd.com

RANGPUR ZONE

- 93 **Rajshahi Branch** **Rajshahi Branch**
M K Tower, 28 Gonokpara, Ward No.-12,
P.S.-Boalia, Rajshahi 6100

(M) 01715249880
(2nd Man) 01712137978
0721-811981, (Fax) 0721-811982
rajmanager@standardbankbd.com
rajshahi@standardbankbd.com

94. **Bogra Branch** **Bogra Branch**
Helal Mansion (1st Floor), Sherpur Road, Sutrapur, Bogra Sadar, Bogra

(M) 01711284141
(2nd Man) 01716-063116
051-67508, 051-67507
bogmanager@standardbankbd.com
bogra@standardbankbd.com
95. **Rangpur Branch** **Rangpur Branch**
Shah Jamal Market (1st Floor), Station Road, Rangpur-5400

(M) 01712370815
(2nd Man) 01912527544
0521-52127,51795
rangpur@standardbankbd.com
rangpur@standardbankbd.com
96. **Saidpur SME/Krishi Branch** **Saidpur SME/Krishi Branch**
Khaled Market (1st floor), Shahed Dr. Zhikrul Haque Road, Saidpur, Nilphamari.

(M) 01716625242
(2nd Man) 01710522624
0552-671454-5
saidpurmanager@standardbankbd.com
saidpur@standardbankbd.com
97. **Dinajpur Branch** **Dinajpur Branch**
Northern Plaza, Goneshtala, Dinajpur sadar, Dinajpur.

(M) 01717-000538
(2nd man) 01751-916427
0531-63979,0531-63211
dinmanager@standardbankbd.com,
dinajpurbm@standardbankbd.com,
dinajpur@standardbankbd.com
98. **Nilphamari Branch** **Nilphamari Branch**
Nilphamari Chamber of Commerce & Industry Bhaban (1st floor), Hazi Mohsin Sarak, Nilphamari Bazar, Nilphamari.

(M) 01781672626, 01717134211
(2nd Man) 01915-984974
0551 62590, 0551 62591
nilmanager@standardbankbd.com
nilphamari@standardbankbd.com
99. **Rohanpur Branch** **Rohanpur Branch**
Alhaz Abdul Latib Super Market (1st Floor), Rohanpur Boro Bazar, Rohanpur, Gomostapur, Chapai Nawabgonj.

(M) 01712137978
(2nd Man) 01710-437558
07823-74228, 07823-74217
rohanmanager@standardbankbd.com
100. **Gobindagonj Branch** **Gobindagonj Branch**
Gobindagonj Branch Shila Plaza (1st floor), 211/1, Gobindagonj, Dhaka-Rangpur Highway, Gaibandha

(M) 01716872870
(2nd Man) 01716872870, 01713063116
+880542375108, +880542375134
gobinmanager@standardbankbd.com
gobindagonj@standardbankbd.com
101. **Hatikumrul Branch** **Hatikumrul Branch**
Sabuj Bilab Super Market (1st floor), Hatikumrul Goal Chattar, Ullapara, Sirajgonj

(M) 01730300730
(2nd Man) 01818267237
07532-51292 / 51293
hatimanager@standardbankbd.com
hatikumrul@standardbankbd.com
102. **Pabna Branch** **Pabna Branch**
BGC Complex (1st Floor), Opposite to central Girls High School, Thana Road, Pabna Sadar, Pabna-6600

(M) 01736423640
(2nd Man) 01711383278
0731-63182, 0731-63185
pabmmanager@standardbankbd.com
pabna@standardbankbd.com
103. **Kansat Branch** **Kansat Branch**
Idris Plaza Super Market (2nd floor), Kansatmore, Sona Masjid Road, Shibgonj, Chapainawabgonj

(M) 01761646963
(2nd Man) 01911535124, 01746186819
rabi846@yahoo.com
kansatdmanager@standardbankbd.com
104. **Chapainawabgonj Branch** **Chapainawabgonj Branch**
Shaleha Sadan, 30 Islampur (Boro Indara More), Chapainawabgonj

(M) 01712739244, 01730962444
(2nd Man) 01715181813
chapainawabgonj@standardbankbd.com
chapaimanager@standardbankbd.com
105. **Pirgonj Branch** **Pirgonj Branch**
Muktijoddha Complex Thana Road, Pirgonj, Rangpur

(M) 01711383278
05227-56047
05227-56048
pirgonj@standardbankbd.com

106. **Baneswar Branch** **Baneswar Branch**
Mahi Plaza, Baneswar Bazar,
Puthia, Rajshahi

(M) 01711188130
baneswar@standardbankbd.com

SYLHET ZONE

- | | |
|--|--|
| <p>107. Sylhet Branch Sylhet Branch
Thikana Tower (1st Floor),
Nayasarak, Sylhet

(M) 01727 579630
(2nd Man) 01716929400
0821-710434, 0821-721842,
0821-728785
sylmanager@standardbankbd.com</p> | <p>110. Biswanath SME/Krishi Branch Biswanath SME/Krishi Branch
Aasmot Ali Complex, College Road,
Biswanath, Sylhet.

(M) 01710 186046
(2nd Man) 01819-655556
08222-456207,08222-456208
sujit_4033@yahoo.com
biswanath@standardbankbd.com</p> |
| <p>108. Beani Bazar Branch Beani Bazar Branch
Holding no 1803,Word no 03,
Zaman Plaza (1st floor),
Beanibazar Pourashava, Sylhet

(M) 01717871082
(2nd Man) 01712658105
08223-56097-8
kahmed73@hotmail.com
bianimanager@standardbd.com</p> | <p>111. Goalabazar SME/Krishi Branch Goalabazar SME/Krishi Branch
Plaza Market (2nd Floor), Sylhet Road
Goalabazar, Osmani Nagar, Sylhet.

(M) 01722-598295
(2nd Man) 01715-357606
0824 256187, 0824 256189
debnath21980@yahoo.com
goalabazar@standardbankbd.com</p> |
| <p>109. Moulvibazar Branch Moulvibazar Branch
Kusumbag Shopping City, Sylhet
Road, Kusumbag, Moulvibazar

(M) 01715082198
(2nd Man) 01716-023769
0861-63451, 0861-63452
moulvimanager@standardbankbd.com
moulvibazar@standardbankbd.com</p> | <p>112. Sunamgonj Branch Sunamgonj Branch
Nasir Plaza, Station Road, Sunamgonj

(M) 01723435110
(2nd Man) 01685000548
0871-62720, 0871-62721
sunammanager@standardbankbd.com
sunamgonj@standardbankbd.com</p> |

Islami Banking Window

Address

- 01 **Islami Banking Window**, Dhaka
36 Topkhana Road, (1st floor),
Dhaka-1000.
- 02 Islami Banking Window,
Chittagong Hossen Chamber
(G/F), 105,Agrabad C/A,
Chittagong

Contact

- 9513515-6, 01713-062699
01730-015106
- 711808, 713432,
01711-809177

SBL Capital Management

Address

2, DIT Avenue (Extension), 2nd Floor, Motijheel C/A., Dha-
ka-1000

Contact

9151484 & 7175698, 7169134, 9558375/301-10, 9515627(Fax).
01715 079440

Standard Bank Securities Ltd.

Address

2, DIT Avenue (Extension), 1st Floor
Motijheel C/A., Dhaka-1000

Contact

Tel: 9585836, 01911-939495
01711 881516

Overseas Exchange House

Address

Standard Exchange Co. (UK) Ltd.
101 White Chapel Road,
London E1 1DT, UK

Contact

Cell: +44 (0) 7949494486, +44 7769336180, Tel: +44 20 7377 0009,
+44-7951454395
Fax: +44 20 7655 4456, Res: +44-20-7252-1010
kamrul@standardexchangeuk.com
maahad@standardexchangeuk.com, husen@standardexchangeuk.com
info@standardexchangeuk.com

B.1 **Standard Express Main Branch**

37-22 73rd Street, Suite#2B
Jackson Heights
NY 11372, U.S.A.

Cell: +1-646-3318255, +1-347-944-9476,
Tel: +1-347-507-0242, Fax: +1-347-507-0243
operation@standardmoneytransfer.com
standardusa@gmail.com, malek_966@yahoo.com
ceo@standardmoneytransfer.com

B.2 **Standard Express Jamaica Branch**

167-15 Hillside Avenue
Jamaica , NY 11432, U.S.A.

Tel: +1-718-526-2868
Fax: +1-718-526-2978
standardjamaica@gmail.com

B.3 **Standard Express Ozone Park Branch**

74 19 101 Avenue
Ozone Park, NY 11416, U.S.A.

Tel: +1-917-300-6048
Fax: +1-917-300-6049

B.4 **Standard Express Brooklyn Branch**

490 McDonald Ave
Brooklyn , NY 11218, U.S.A.

Tel: +1-347-627-9666
Fax: +1-347-627-9667
standardbkln@gmail.com

B.5 **Standard Express Bronx Branch**

2156 Starling Avenue
Bronx, NY 10462, U.S.A.

Tel: +1-718-684-3466
Fax: +1-718-684-3467
standardbronx@gmail.com

B.6 **Standard Express Jackson Heights Branch**

37-22 73rd Street, Suite#A2
Jackson Heights, NY 11372, U.S.A.

Tel: +1-347-507-0242
Fax: +1-347-507-0243

B.7 **Standard Express Los Angeles Branch**

4151 West Third Street, Unit A
Los Angeles
California 90020, U.S.A.

Tel: +1-213-330-1810
Fax: 1-213-330-1810
standardlaca@gmail.com

Foreign Currency Exchange Booth

01 **Foreign Currency Exchange Booth**

Shahajalal International Airport,
Dhaka, Bangladesh

01717-575020, 01755619112



Notice for Appointment of Auditors

This is for information of our valued Shareholders that in terms of Section 210 (6) of the Companies Act-1994, Shareholders of the Bank have proposed the names of under noted Auditors for appointment as External Auditors of the Bank for the year 2017 in the 18th Annual General Meeting to be held on April 30, 2017 at 10.30 a.m. at Police convention Hall, Eskaton Garden Road, Ramna, Dhaka and the Auditors have also given their consent for such appointment:

- | | | |
|--|--|---|
| 1) Ahmed Zaker & Co.
Green City Edge, 89 Kakrail
Dhaka-1000, Bangladesh | 2) Ata Khan & Co.
67, Motijheel Comm. area
Dhaka-1000, Bangladesh | 3) MahfelHuq & Co.
4 th Floor, BGIC Tower
34, Topkhana Road
Dhaka-1000, Bangladesh |
| 4) Howlader Yunus & Co.
House# 14(4 th Floor), Road# 16A
Gulshan, Dhaka-1212 | 5) Islam Quazi Shafique & Co.
Holding no-Al-Haj Shamsuddin
Mansion (7 th Floor), Room No.
E17, Road-New Eskaton Road,
Maghbazar, Dhaka | 6) Kazi Zahir Khan & Co.
67/4 Kakrail (Ground Floor)
Dhaka 1000. |
| 7) Syful Shamsul Alam & Co.
Paramount Heights (Level 6)
65/2/1, Box Culvert Road Md.
Purana Paltan Dhaka-1000 | 8) Rahman Mostafa Alam & Co.
Paramount Heights (Level-7-D2)
65/2/1, Box Culvert Road
Purana Paltan, Dhaka -1000 | 9) Khan Wahab Shafique
Rahman & Co
Rupali Bima Bhaban
7 Rajuk Avenue
Dhaka-1000. |
| 10) Aziz Halim Khair Chowdhury
"Baitul Mesbah" Building No. 2
(3 rd & 4 th floor)
House # 79 (New), Road # 12/A (New)
Dhanmondi, Dhaka-1209 | 11) G Kibria & Co.
Sadharan Bima Sadan (5th Floor)
24-25 Dilkusha Com. Area
Dhaka-1000 | 12) Zoha Zaman Kabir Rashid & Co
Rupayan Karim Tower (level 7)
Suit No. 7A, 80 Kakrail
Dhaka-1000 |
| 13) Hoda Vasi Chowdhury & Co.
BTMC Bhaban (7 th and 8 th Level)
7-9, Kawran Bazar C/A Dhaka-1215 | | |

It may be mentioned here that the present Auditor M/s Shafiq Basak & Co. Chartered Accountants, has completed their consecutive 3 (three) years as External Auditors of the Bank and as per provisions of BRPD Circular letter No.12 dated July 11, 2001 of Bangladesh Bank and order of Bangladesh Securities and Exchange Commission dated July 08, 2015, they are not eligible to re-appointment for 2017. As such, the Shareholders are required to appoint new External Auditors for the Bank from amongst the aforesaid audit firms.

By order of the Board

Dated: March 27, 2016

Md. Ali Reza
Acting Company Secretary

Proxy Form

I/ We

of

as my/our proxy, to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Sunday, the 30th April, 2017 at 10:30 a.m. at the Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka and or at any adjournment thereof.

In witness my hand thisday of2017.

(Signature of the Member)

No. of Share Held

Notes:

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the registered Office of the Company not later than 48 hours before the time fixed for the meeting.

(Signature of the Proxy)

Note: Please complete the attendance slip and hand it over at the entrance of the hall.

Attendance Slip

I hereby record my attendance at the 18th Annual General Meeting of the Company being held on Sunday, the 30th April, 2017 at 10.30 a.m. at the 'Police Convention Flail, Eskaton Garden Road, Ramna, Dhaka.

Name Member/Proxy

Member's BO/Folio No.

Signature of Member/Proxy and Date

N.B. : No gift/Gift Coupon/Food Box etc. will be distributed/offered to the shareholders at 18th AGM to be held at Police Convention Hall as per instruction of Bangladesh Securities and Exchange Commission's (shareholders) Circular No. SEC/CMRRCD/2009-193/154 dated 24 October, 2013.



Head office:

Metropolitan Chamber Building (3rd Floor), 122-124 Motijheel CA, Dhaka 1000
Phone : 88-02-9577913, 9578385, 9558375, Fax : 88-02-9577898
www.standardbankbd.com