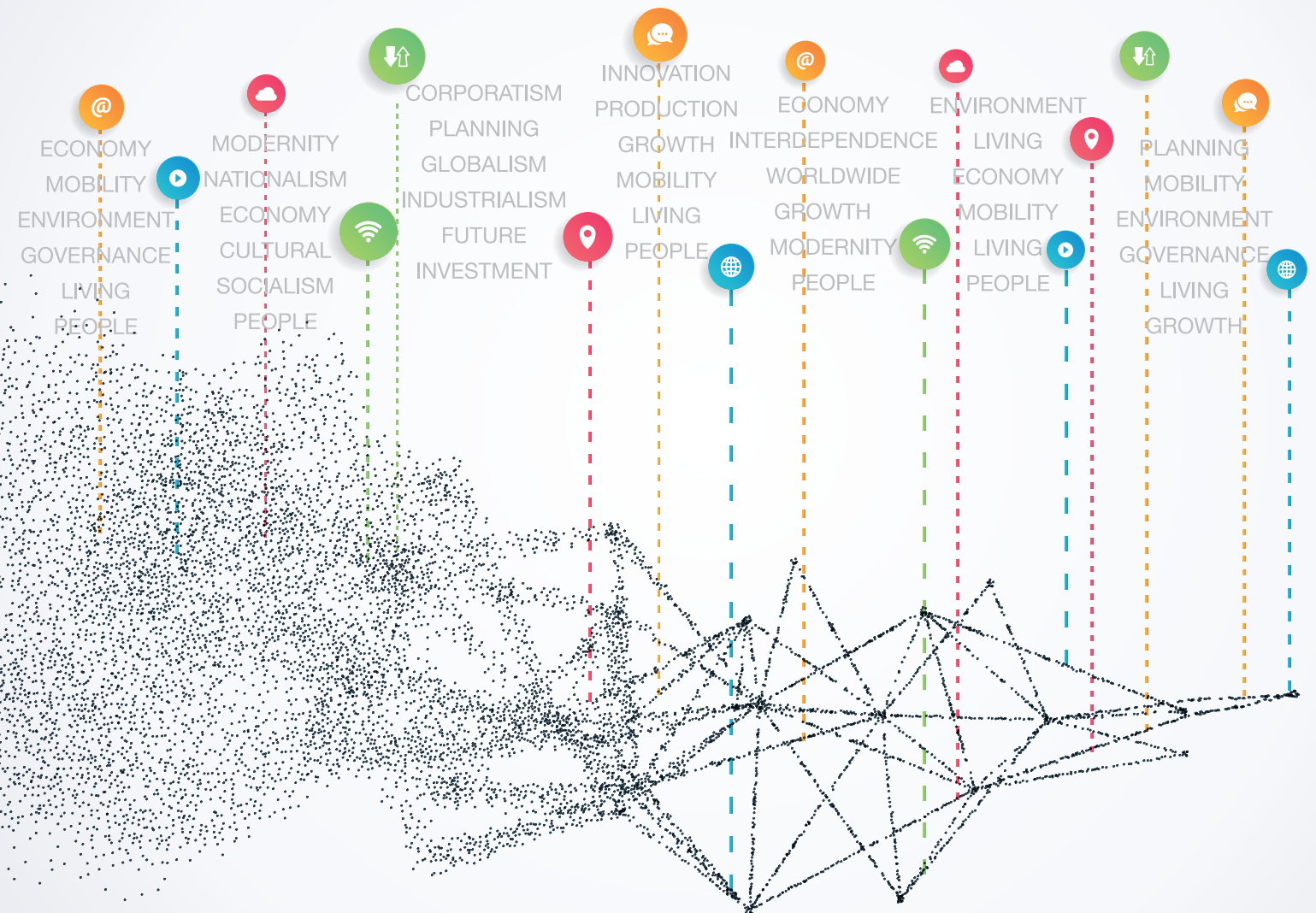


REDESIGNING TODAY REDEFINING TOMORROW

Annual Report 2017

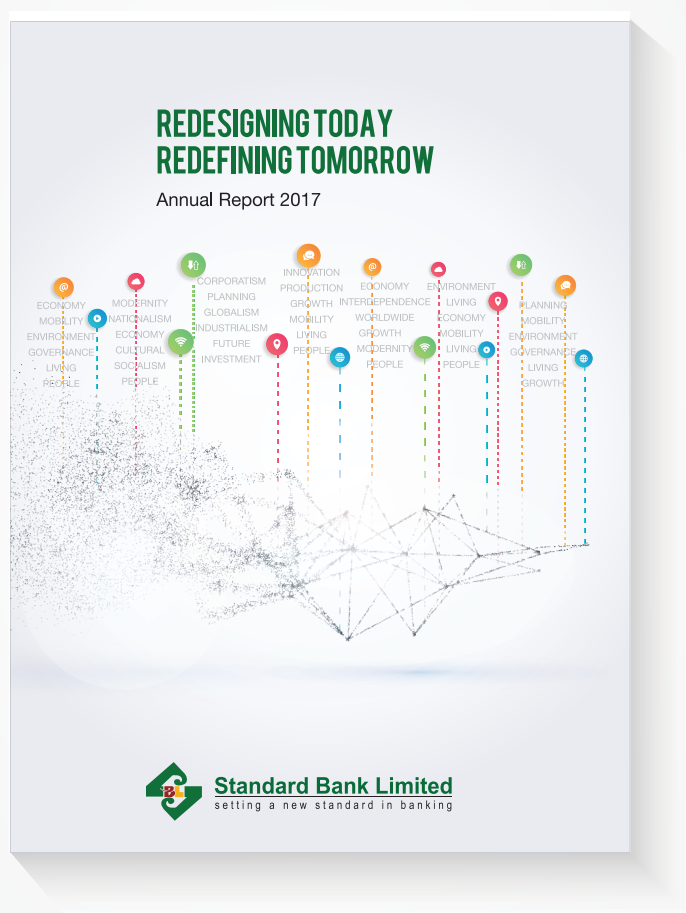


Standard Bank Limited
setting a new standard in banking

REDESIGNING TODAY REDEFINING TOMORROW

Changes in banking are impelling banks to take more obvious strategy decisions. As a thriving bank, Standard Bank Limited have recognized that they need a truly differentiated strategy as the industry's economics have come under pressure from new technology and entrants with unique business models. Large technology firms have also been moving into markets such as payments, raising customers' expectations for better digital tools and simple, convenient service. Ever-stricter capital and liquidity requirements by regulators have reduced banks' own balance sheet leverage. Low interest rates and low economic growth intensify the pressure. As a result, we are making difficult strategic choices. One key choice with implications for the operating model involves where to compete on the value chain spectrum. SBL is focusing on "manufacturing" (creating products) at one end of the spectrum at the same time "distribution", managing channels and customer relationships, at the other end. Advances in technology make it easier to unbundle the value chain, and we believe the distinction between manufacturing and distribution will accelerate over time. Hence redesigning today has got huge implications in redefining tomorrow.

ANNUAL REPORT 2017



REDESIGNING TODAY
REDEFINING TOMORROW

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LETTER OF TRANSMITTAL

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

Sub: Annual Report of Standard Bank Ltd, for the year ended on December 31, 2017

Dear Sir(s),

Thank you for being with us in the year 2017.

It is our immense pleasure to present before you a copy of the Bank's Annual Report 2017 along with the audited financial statements including consolidated and separate balance sheet as at 31st December 2017, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31st December 2017 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,

Acting Company Secretary



Md. Ali Reza

Acting Company Secretary

NOTICE OF THE 19TH ANNUAL GENERAL MEETING



Notice is hereby given to all concern that the 19th (Nineteenth) Annual General Meeting (AGM) of the honorable shareholders of Standard Bank Ltd. will be held on Thursday, the 10th May, 2018 at 12:00 pm at the Police Convention Hall (1st Floor), Eskaton Garden Road, Ramna, Dhaka to transact the following business and to adopt necessary resolutions:

- i. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2017 along with the Auditors' Report and the Director's Report thereon.
- ii. To declare dividend for the year ended 31st December, 2017 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: April 15, 2018
Dhaka

By order of the Board of Directors

Md. Ali Reza
Acting Company Secretary

Notes:

- i. The Board of Directors has recommended @ 10% Stock dividend for the year ended 31st December, 2017 subject to approval in the 19th AGM.
- ii. The Record date of AGM will 25th April, 2018. The shareholders whose names appeared in the Shareholders Register of the Bank or in the Depository Participant (DP) A/C of CDBL on record date shall be eligible to attend the meeting and entitle for dividend as mentioned above.
- iii. Any Shareholder entitles to attend and vote at the 19th 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 shareholder and must be submitted at the Registered Office of the company at least 48 hours before the time fixed for meeting.
- iv. The Shareholders are requested to update their BO accounts with mailing address, contact number, bank details, E-TIN number and e-mail address with their respective DP (Depository Participant) before 'Record Date'.
- v. Entry in the venue of AGM will be allowed on production of the Attendance Slip.
- vi. Annual report, attendance slip and proxy form along with the notice are being sent to the shareholders by post or courier service. The shareholders 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 19th 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 that 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

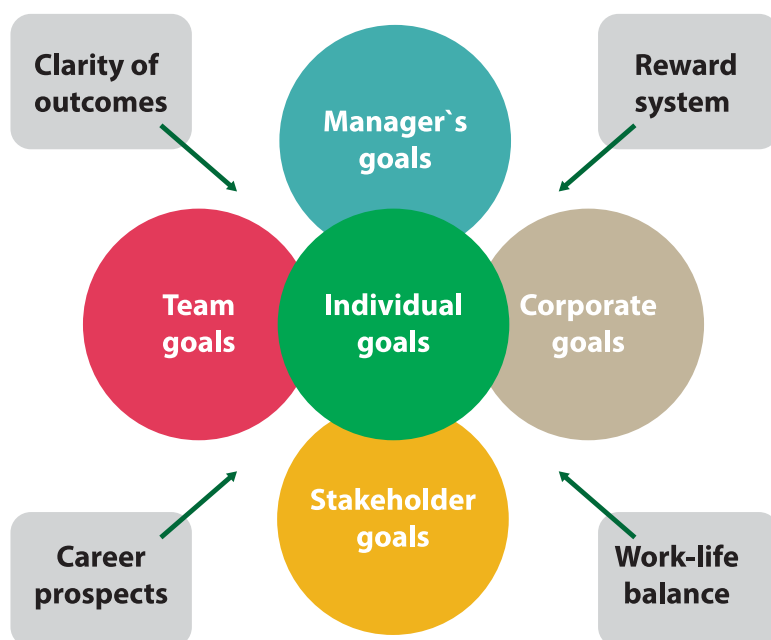
Marketplace Responsibilities:

- 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



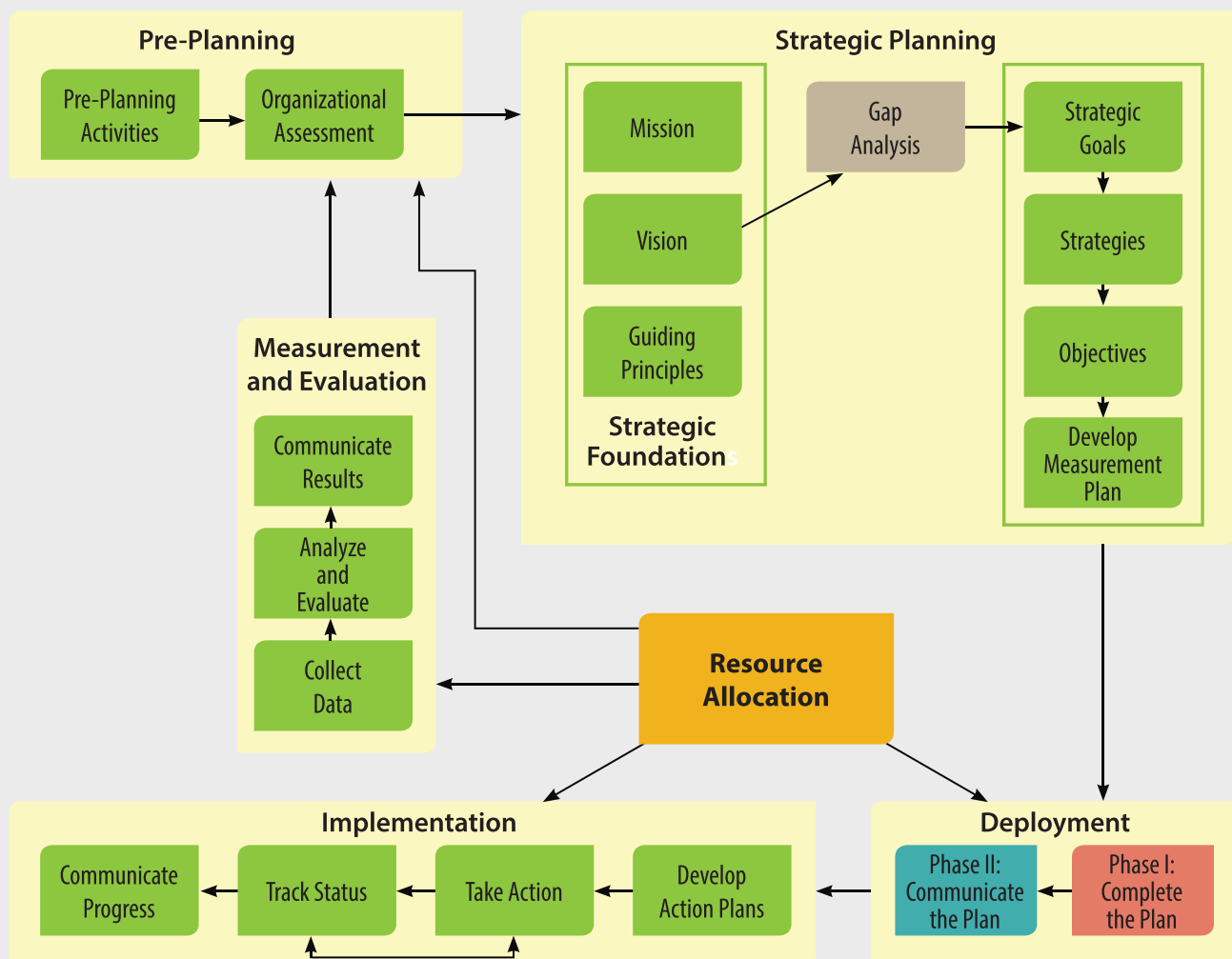
- a) To strive for sustainable business growth by ensuring customer satisfaction through quality and timely services.
- b) To ensure capital stewardship by Preservation and enlargement of multiple forms of capital; like intellectual, natural, financial, organizational, social; all of which contribute to long term 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) Under utilization and change of different Risk Management tools.

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

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

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

www.standardbankbd.com

Barrister-at-Law

Dr. Kamal Hossain & Associates

Tax Consultants

Advocate Alhaj Md. Serajul Islam

Managing Director & CEO

Mr. Mamun-Ur-Rashid

Auditors

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

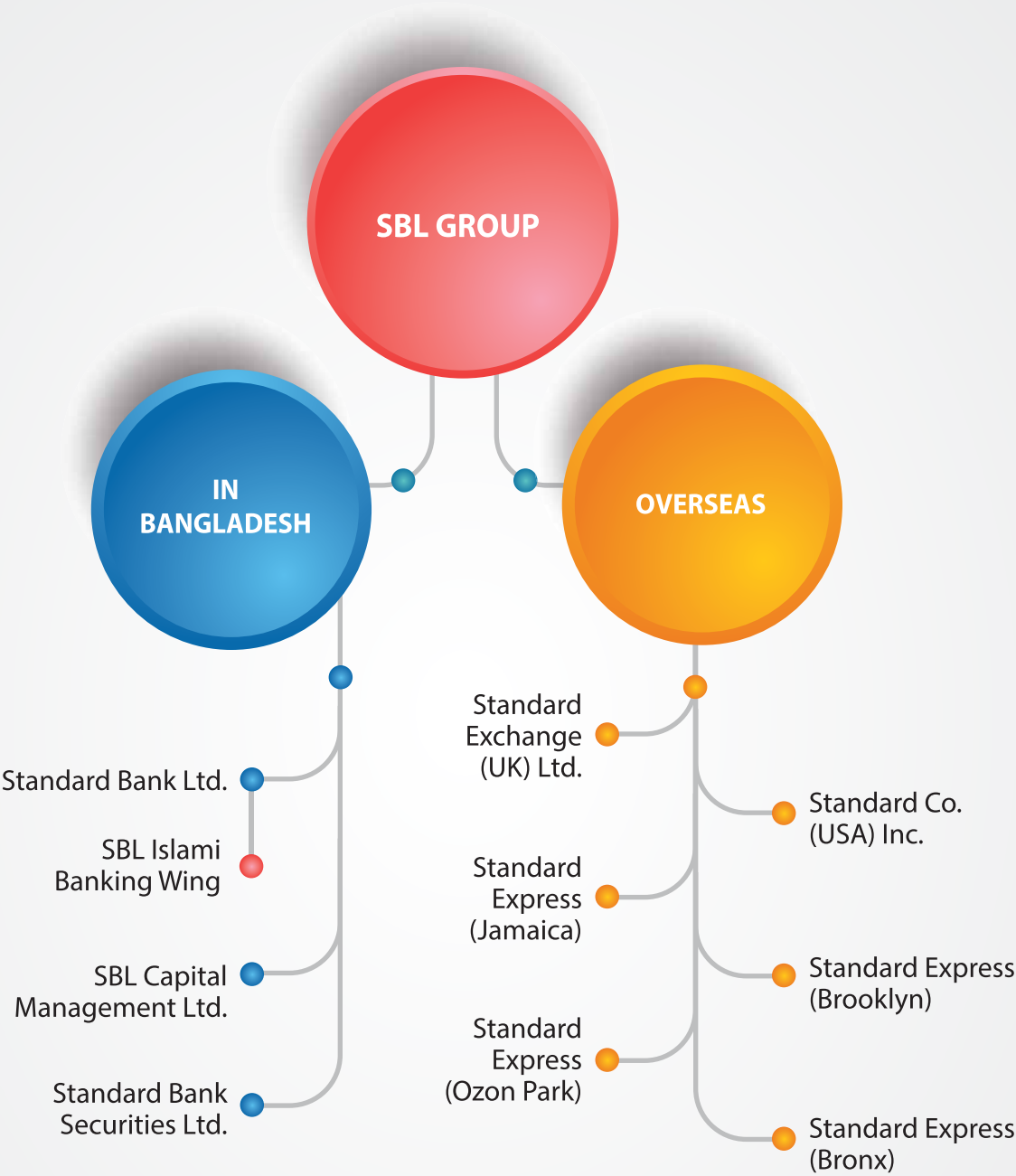
Legal Advisor

Mr. Ashraful Hadi

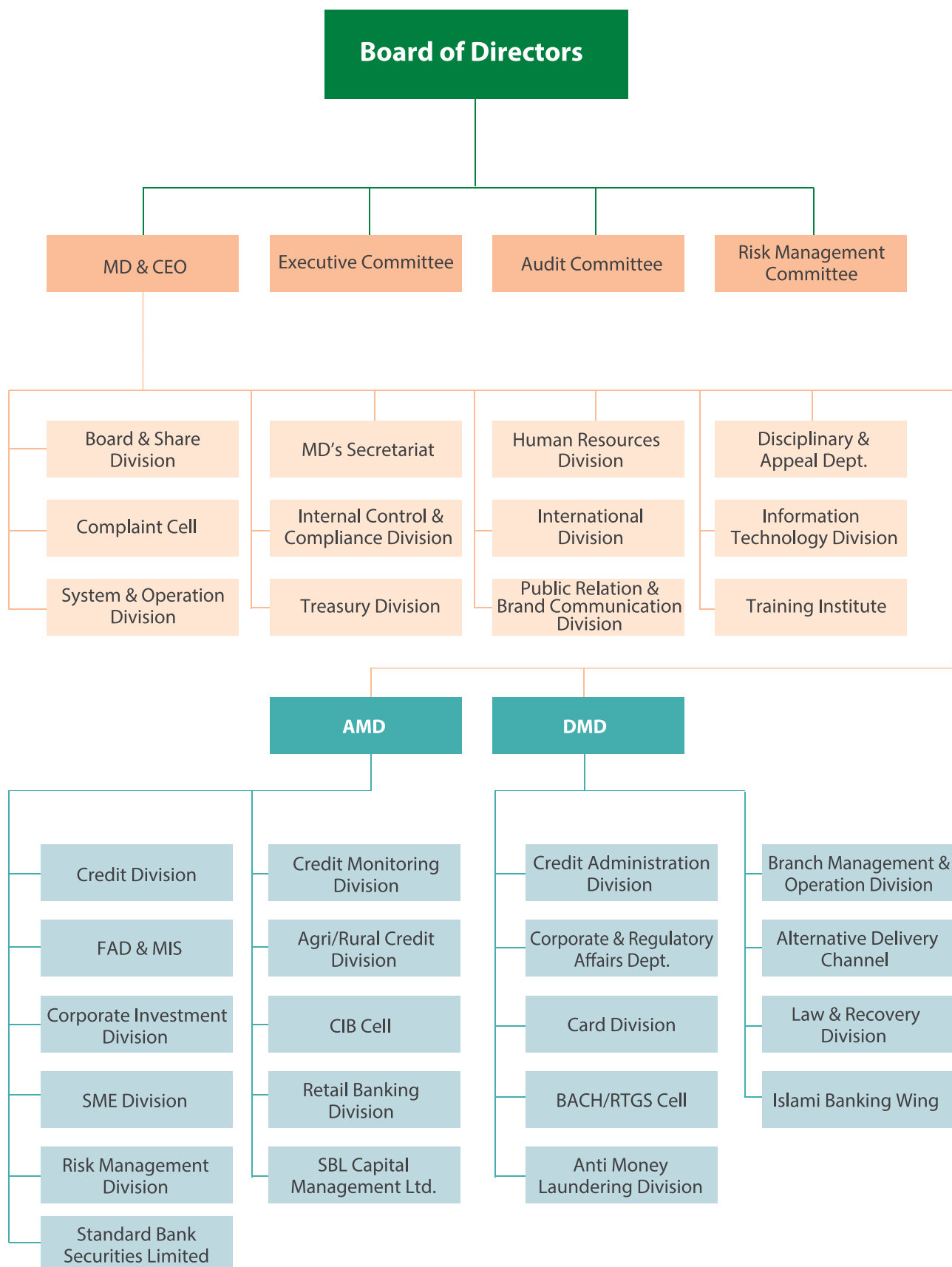
Rating Agency

Credit Rating Information and Services Limited (CRISL)

GROUP CORPORATE STRUCTURE



CORPORATE ORGANOGRAM



PRODUCT PORTFOLIO

Asset Products

General Corporate Finance

Short Term Finance

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

Long Term Finance

- Term Loan
- Lease Finance (Machineries, Vehicles)
- Hire Purchase

Work Order Finance

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

Housing/Real Estate Finance

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

Foreign Trade Finance

Export Finance

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

Import Finance

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

Syndication, Consortium, Club & Structured Finance

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

Industrial Project Finance

Project Implementation Finance

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

Working Capital Finance

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

Islami Banking Investment Products

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

Small & Medium Enterprise (SME) Financing

FI 10 Taka Account Loan

Agriculture Credit

Green Banking Products

Social and Environmental Infrastructure Finance

Liability Products

Conventional Banking

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

Islamic Banking

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

Technology Product

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

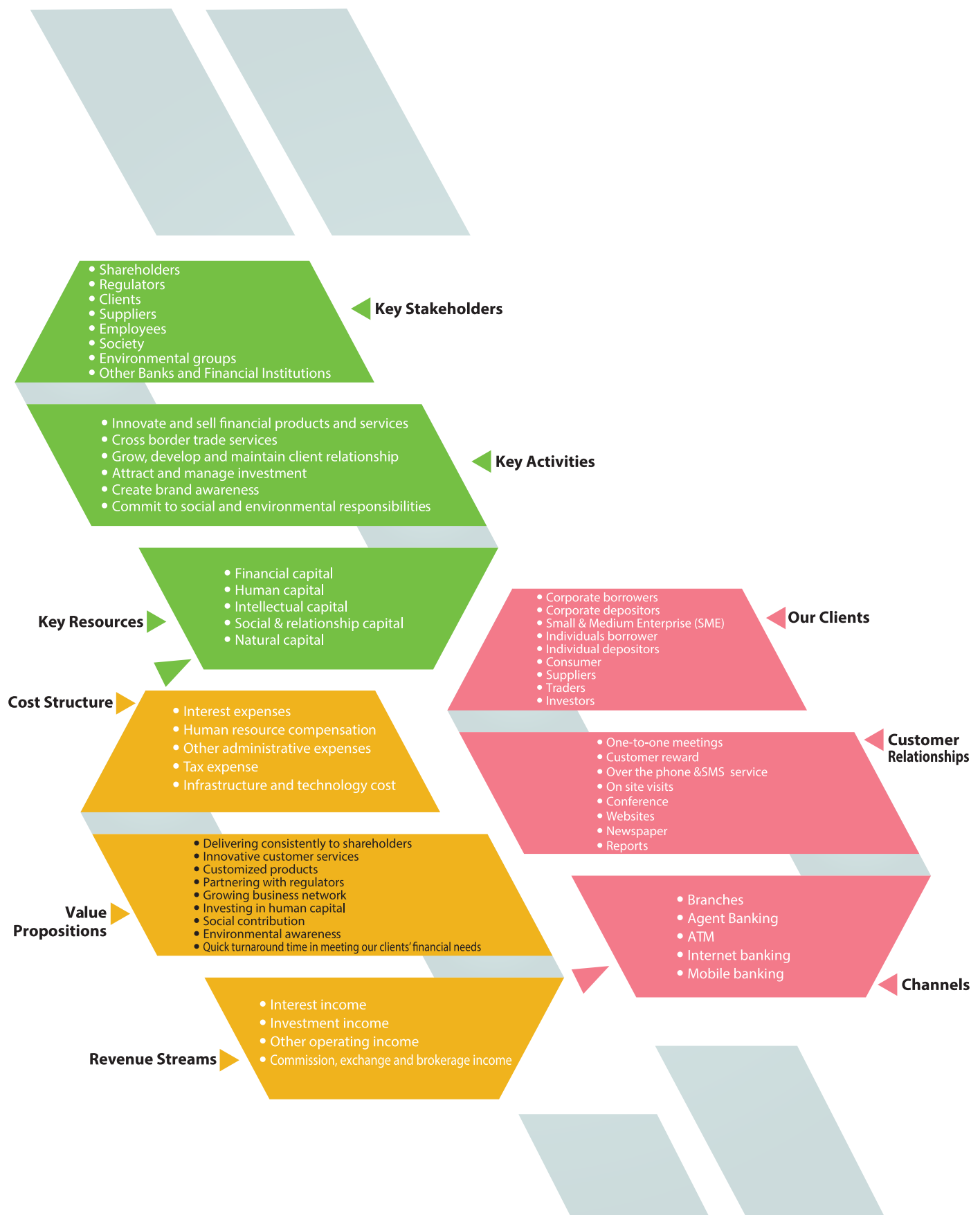
Card Product

- | | |
|-------------------------|---------------------|
| • Visa Credit Card | • Visa Prepaid Card |
| i. Visa Platinum | i. Visa Travel Card |
| ii. Visa Gold | ii. Visa Hajj Card |
| • Zero Pay (EMI) | • SBL Debit Card |
| • Credit Shield Premium | |
| • Balance Transfer | |
| • 2FA | |

Other Products

- Agent Banking SBL

OUR VALUE DRIVEN BUSINESS MODEL



SBL HIGHLIGHTS 2017

Profit after Tax
1,238
million taka

Paid-up Capital
7,918
million taka

Total Equity
13,410
million taka

Risk Weighted CAR
14.18% (Solo)

Earning Per Share
1.56
taka

Net Asset Value
Per Share
16.94
taka

Dividend
10%

Net Operating Income
to average total assets
2.02%

Number of Branches
125

Number of Employees
2076

Loans & Advance
128,228
million taka

Fixed Assets
3,690
million taka

Operating Profit
3,325
million taka

Total Assets
175,699
million taka

Deposit
134,730
million taka

CSR
179.80
million taka

DIRECTORS' PROFILES



Kazi Akram Uddin Ahmed
Chairman

A prominent industrialist since last 40 years, 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 service 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 Chairman & Managing Director of Eastern Engineering Group of Industries (manufacturer of railway and automobile equipments and others). He is one of the former Directors of Padma Oil Co. Limited, the largest subsidiary enterprise of Bangladesh Petroleum Corporation.

He held so many key positions in different local and international organization including **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 Multiple District 315, Bangladesh **and an incoming International Director (2018-2020)** of International Association of Lions Clubs, 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 & trustee of so many educational institutions and charitable hospitals 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 06 (six) 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.

with the



Mohammed Abdul Aziz
Vice-Chairman

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 life, he started his own business instead of joining any service. 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 today. Apart from that in the year 1998, he joined Midland Credit Cooperative Society as Managing Director & Chairman. By his effort & visionary leadership, 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 315B2, Bangladesh. He was elected unopposed District Governor for the term 2005-06. He made his call Light the Blind as a District Governor for the year 2005-06 where he has completed 4500 cataract operations for the needy and poor patients at free of cost throughout the country. 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 1st division Arambagh Football Club
4. Donor of Ln Ferozur Rahman Residential Academy, Brahmanbaria.

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



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 of Standard Bank Ltd., former 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 Madrasa 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, former Vice Chairman of advisory committee for Chittagong Samity in Dhaka. He is the former President of Banshkhali Samity in Dhaka.



Ashok Kumar Saha
Director

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. Former Director of Bangladesh Malaysia Chamber of Commerce & Industry, Member of International Business Forum of Bangladesh (IBFB) and member of Federation of Bangladesh Chambers of Commerce & Industry (FBCCI).

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

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. He 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 25 years.
3. Founder Chairman of Ferozur Rahman Fund and Foundation.
4. Vice-Chairman and Chairman of New Model Bohumukhi High School, Dhanmondi, Dhaka for 36 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 36 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 later on he held the position of Mayor of Chittagong City Corporation.



S. A. M. Hossain
Director

Mr. S.A.M. Hossain is a prominent, innovative and successful businessman of this country. He holds a Bachelor Degree in commerce. He was born in a glorious and highly respectable Muslim family of Noapara, Rowzan Thana under Chittagong district. He has started his glorifying business career in the Field of Electronics since 1980 and excels in this field like a star. Now He is the Honorable Chairman and Managing Director of Victor Group. His organization Victor Group, Victor Electronics and Victor International has become one of the trusted names across the country and also abroad. 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 Permanent Member of Chittagong Club Limited. He is also the Associate Member of Chittagong Chamber Of Commerce & Industry.

He is a philanthropist and does a lot of charity to variety of organizations. He is the founder of Aslam Sriti foundation at Noapara Chittagong. He is working 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 Noapara Chittagong.

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



Al-Haj Mohammed Shamsul Alam
Director

Mr. Alhaj Mohammed Shamsul Alam was born in 1953 at Noapara, Raozan, Chittagong and he is in business since 1972. His father and grandfather Late Hajji Abul Bashir Sowdagar and Late Abdur Rouf Sufi respectively were also the renowned businessmen at their own territory. Mr. Mohammed Shamsul Alam in his first business life belonged to his family business "Trading of Clothes" at Kurbanigong, Chittagong. Few years later (From 1976) he started his own business of House Hold Electrical Appliances like Refrigerators, Freezers, Television and others. He is now the Managing Partner of M/s. Radiovision which is one of the leading importers, retailers and whole seller of the House Hold Electrical Appliances like Refrigerators, Freezers, Washing Machine, Air Conditioners Colour Television, DVD, VCD etc. He is also one of the Director of Standard Bank Limited.

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

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

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



Gulzar Ahmed
Director

Mr. Gulzar Ahmed is a renowned business personality in Bangladesh. He is a dynamic and visionary leader of banking and other business arena. Mr. Ahmed 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 over 37 years in different business sectors. He is the Director and Ex Vice Chairman of Standard Bank Ltd. He was also the Ex Chairman of Executive Committee of Standard Bank board of Directors. Mr. Gulzar Ahmed is a widely traveled person across the globe.



Md. Zahedul Hoque
Director

Mr. Md. Zahedul Hoque, a successful professional, prominent and well established Businessman was born in a Muslim family. He completed his Bachelors of Business Administration majoring Industrial Management in December, 1992 from Northeast Louisiana University, Monroe, Louisiana, USA. His father Al-Haj Md. Nurul Hoque Sowdagar, a prominent and well established businessman both at home & abroad, was one of the Sponsor Directors of Standard Bank Limited and is the founder of Hazi Mohammed Nurul Hoque Degree College, Shakpura, Boalkhali, Chittagong and Amenia Forkania and Nuria Madrasha, west Shakpura, Boalkhali, Chittagong. Mr. Zahedul Hoque is the proprietor of M/S Zahed Brothers (import of food grains, spices, betel nut, sugar & vegetable oil) and M/S NLZ Fashion (computerized embroidery unit). He is Counsellor of Chattagram Zilla Krira Sangstha and Director of M/S Noor Oil & Food Products Limited. The Director of Hossain Oil Mills & Dada Salt Factory and the Director of M/S Arafat Limited (Iodized Salt Industries).

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

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



Al-Haj Md. Yousuf Chowdhury
Director

Al-Haj Md. Yousuf Chowdhury, a renowned and well established business personality comes from a respectable Muslim family from Chittagong district who has more than 32 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 donated in the many educational institutions, madrasha and different charitable organizations. He supports the disaster prone people around the country.



Mr. Sahazada Syed Nizamuddin Ahmed
Independent Director

Mr. Sahazada Syed Nizamuddin Ahmed a renowned, distinguished and senior most career banking personality of the country has been unanimously appointed as Independent Director of Standard Bank Limited and presently holding the post of Chairman, Audit Committee of the Board. Mr. Nizamuddin Ahmed having a successful 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 of 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.

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.

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 International Association of Lions Clubs for the last 52 years (1965-2017). 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 Pak Saha Sufi Syed Moulana Golam-Ur-Rahman Al-Hasani, Wal-Hussiany, Al Quaderi, Al-Maizbhandari (Q.S.) Alias-"Hazrat Baba Bhandhari Qibla".



Najmul Huq Chaudhury
Independent Director

Ln. Najmul Huq Chaudhury MJF, son of Late Alhaj Aminul Huq Chaudhury comes of a very respectable Muslim Zaminder family of Chittagong, Nazir's Family, North-Kattali, Born on 19th January 1943. 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. Attended number of seminars & symposia on Business Administration and Industrial Management in the Country and Abroad.

Ln. Chaudhury played a vital role during the Liberation Movement of Bangladesh in 1971 and after Liberation of Bangladesh, 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).

Currently Mr. Najmul Huq Chaudhury is rendering his service in the following Organizations:

- Resident Director, SKM Jute Mills Ltd., Chittagong & Advisor SIDKO Ltd. Dhaka, since Sept, 2004,
- Independent Director, Standard Bank Ltd, Dhaka since Sept, 2014,
- Honorary Chairman, Lions Charitable Eye Hospital & Chittagong Lions Foundation (CLF) since April, 2009,
- General Secretary, Anjuman Mufidul Islam, Chittagong (Works to bury unclaimed dead bodies & Provide financial assistance for the education to poor Students, running free Friday Clinic & Ambulance Service for patients & dead bodies) since 2014,
- Governing Body Member, Latifa Siddiqi Degree College, Chittagong, since June, 2014,
- Governing Body Member, Latifa Siddiqi Girls High School, Chittagong, since June, 2014,
- Governing Body Member, Imdad Sitara Khan Lions Kidney Center, CLF Complex, Chittagong, since April, 2014,
- Executive Committee Member, Lions Blood Bank, CLF Complex, Chittagong since 2001.
- Member of Trustee Board, Lions Anowara Taher Physiotherapy Clinic, CLF Complex, Ctg. since, 2007,
- Donor Member, Kattali Nurul Huq Chaudhury High School, Chittagong since 1975,
- Permanent Member, Chittagong Club Ltd., Chittagong, since 1993,

Previously he served in the following Industrial / Commercial Organizations & Chambers of Commerce & Industry:

- Ex-Managing Director & Advisor, Van Ommeren Tank Terminal (B'Desh) Ltd. & International Oil Mills Ltd {50% Foreign shares (USA & Dutch) & 50% Govt. of Bangladesh}, Chittagong, (Since 1973 to August, 2004).
- Ex-Administrator, Bangladesh Tank Terminal Ltd., Patenga, Chittagong, (Since 1978 & 1979),
- Ex-Vice Chairman, Bangladesh Vegetable Oil Refiners' Association, Dhaka,
- Founder Executive Committee Member, American Chamber of Commerce in Bangladesh, Dhaka,
- Founder Executive Committee Member, Dutch-Bangla Chamber of Commerce & Industry, Dhaka,
- Ex- Executive Committee Member, Foreign Investors Chamber of Commerce & Industry, Dhaka,
- Ex- Executive Committee Member, Chittagong Chamber of Commerce & Industries, Chittagong,
- Ex- Executive Committee Member, Bangladesh Chamber of Industries, Dhaka,
- Ex- Executive Committee Member, Bangladesh Employers' Federation, Dhaka,
- Ex-Member, International Chamber of Commerce-Bangladesh, Dhaka,
- Ex-General Member, The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Dhaka,

Charitable & Social-Welfare Organizations:

- Ex-President, Lions Club of Chittagong. (1991 - 1992),
- Past District Governor, Lions District 315-4B of Chittagong, (1999 - 2000),
- Ex- Executive Committee Member, Chhattaagram Maa-O-Shishu (Mother & Child) General Hospital, Chittagong,
- Ex- Executive Committee Member, Chittagong Diabetic Association, Chittagong,
- Ex- Executive Committee Member, Bangladesh Lions Foundation, Dhaka,
- Ex- Executive Committee Member, Muslim Education Society, Chittagong.
- Ex- Executive Committee Member, Bangladesh Red Crescent Society, Chittagong, &
- Life Member of many Social-Welfare & Charitable Organizations.



Mr. KAZI SANAUL HOQ
Director

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



MR. MD. NAZMUS SALEHIN
Independent Director

Mr. Md. Nazmus Salehin, a top notch public sector banker of the country, who has been active in banking service for the last 36 years, has joined in Standard Bank Limited as Deputy Managing Director. Because of his extraordinary services and distinctive contributions to the bank he was promoted to Additional Managing Director. He also served as the Managing Director of Standard Bank Limited.

Mr. Salehin started his career with Sonali Bank in 1979 as a Probationary Officer after receiving his Masters degree in Physics from Dhaka University. He held all the Senior and Top Management level Executive positions in many high profile branches, Zonal Offices and Head Offices of the 3 (three) major Nationalized Commercial Banks i.e. Sonali, Agrani and Janata Bank. Because of his meritorious performance and distinctive competence in banking career lastly he was the Deputy Managing Director of Janata Bank. Prior to this he was the General Manager of Sonali and Agrani Bank respectively. He participated in many training programs on different areas of banking in different institutions at home and abroad. He is actively associated with many socio cultural organizations and traveled many countries on personal and professional trips. Mr. Salehin hailed from Khoksha Upazila of Kushtia bears an amiable and pleasant personality and blessed with one daughter Dr. Dilshad Afroze and one son Musfeq-us-Salehin a BBA graduate from DU now serving in Bangabandhu Medical University & Imperial Tobacco Canada respectively.



Mr. Mamun-Ur-Rashid
MD & CEO

Mr. Mamun-Ur-Rashid, an inspired banker with more than three decades of satisfying experience in banking has joined Standard Bank Limited on 15th April, 2013 as Deputy Managing Director.

Mr. Mamun started his 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 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 USA, UK, Canada, 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.

BOARD OF DIRECTORS



Mr. Gulzar Ahmed
Director

Mr. Al-Haj Mohammed Shamsul Alam
Director

Mr. Ferozur Rahman
Director

Mr. Kazi Akram Uddin Ahmed
Chairman

Mr. Kamal Mostafa Chowdhury
Director

Mr. Md. Zahedul Hoque
Director

Mr. S. S. Nizamuddin Ahmed
Independent Director

MR. MD. NAZMUS SALEHIN
Independent Director

Mr. S. A. M. Hossain
Director

Mr. Mamun-Ur-Rashid
MD & CEO

Mr. Mohammed Abdul Aziz
Vice-Chairman

Mr. Ashok Kumar Saha
Director

Mr. Al-Haj Mohd. Yousuf Chowdhury
Director

Najmul Huq Chaudhury
Independent Director

Mr. Kazi Sanaul Hoq
Director

(Absent in the group photograph)



Md. Manzurul Alam
Director

(Absent in the group photograph)



www.standardbankbd.com

SPONSORS OF THE BANK



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1. **Ln. Kazi Akram Uddin Ahmed**
Sponsor & founder Chairman
2. **Kamal Mostafa Chowdhury**
Sponsor & Founder Vice Chairman
3. **Mohammad Nurul Islam**
Sponsor
4. **Late Nani Gopal saha**
Sponsor
5. **Al-haj Mohammad Ayub**
Sponsor
6. **Ferozur Rahman**
Sponsor
7. **Harun Rashid Chowdhury**
Sponsor
8. **Md. Monzurul Alam**
Sponsor
9. **S.A.M. Hossain**
Sponsor

10. **Mohammed Abdul Aziz**
Sponsor
11. **Al-haj Mohammed Shamsul Alam**
Sponsor
12. **Abdul Ahad**
Sponsor
13. **Al-haj Md. Nurul Haque Sowdagar**
Sponsor
14. **Ferdous Ali Khan**
Sponsor
15. **Harun-Od- Rashid**
Sponsor
16. **Late Mahabub Uddin Molla**
Sponsor
17. **Farzana Yousuf**
Sponsor

EXECUTIVE COMMITTEE



Mr. Md. Tairqul Azam
AMD
Mr. Gulzar Ahmed
Member
Al-haj Mohammed Shamsul Alam
Member
Mr. Mohammed Abdul Aziz
Member
Mr. Md. Zahedul Hoque
Chairman
Mr. Mamun-Ur-Rashid
MD & CEO
Mr. Ashok Kumar Saha
Member
Mr. S.A.M. Hossain
Member
Mr. Ferozur Rahman
Member

AUDIT COMMITTEE



Mr. Kazi Sanaul Hoq
Member
Mr. Najmul Huq Chaudhury
Member
Mr. S. S. Nizamuddin Ahmed
Chairman
Mr. Kamal Mostafa Chowdhury
Member
Mr. Md. Nazmus Salehin
Member

RISK MANAGEMENT COMMITTEE



Mr. S.A.M. Hossain
Member

Mr. Mamun-Ur-Rashid
Managing Director

Mr. Kazi Akram Uddin Ahmed
Chairman

Mr. Mohammed Abdul Aziz
Member

Al-haj Mohd. Yousuf Chowdhury
Member



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. Md. Zahedul Hoque, Director	Chairman
2	Mr. Ashok Kumar Saha, Director	Member
3	Mr. Ferozur Rahman, Director	Member
4	Mr. S. A. M. Hossain, Director	Member
5	Mr. Mohammed Abdul Aziz, Vice-Chairman	Member
6	Al-haj Mohammed Shamsul Alam, Director	Member
7	Mr. Gulzar Ahmed, 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	ICB, represented by it's Managing Director, Mr. Kazi Sanaul Hoq	Member
4	Mr. Najmul Huq Chaudhury, Independent Director	Member
5	Mr. Md. Nazmus Salehin, 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, Director	Member
4	Mr. Mohammed Abdul Aziz, Vice-Chairman	Member
5	Al-haj Mohd. Yousuf Chowdhury, Director	Member
6	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. Gabtauli, 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 & CEO 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

► **Mr. Md. Tariqul Azam**
Additional Managing Director

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

► **Mr. Hossain Ahmad**
EVP & Head of ITD

► **Mr. Haradhan Chandra Das**
EVP & Head of Credit Division

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

► **Mr. Md. Nazrul Islam**
EVP & Manager, Principal Branch

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

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

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

► **Mr. Syed Mosnoon Ali**
VP & Head of HRD (Acting)

► **Mr. Mirza Muhammad Masud Rana**
AVP & Head of BMOD (Acting)

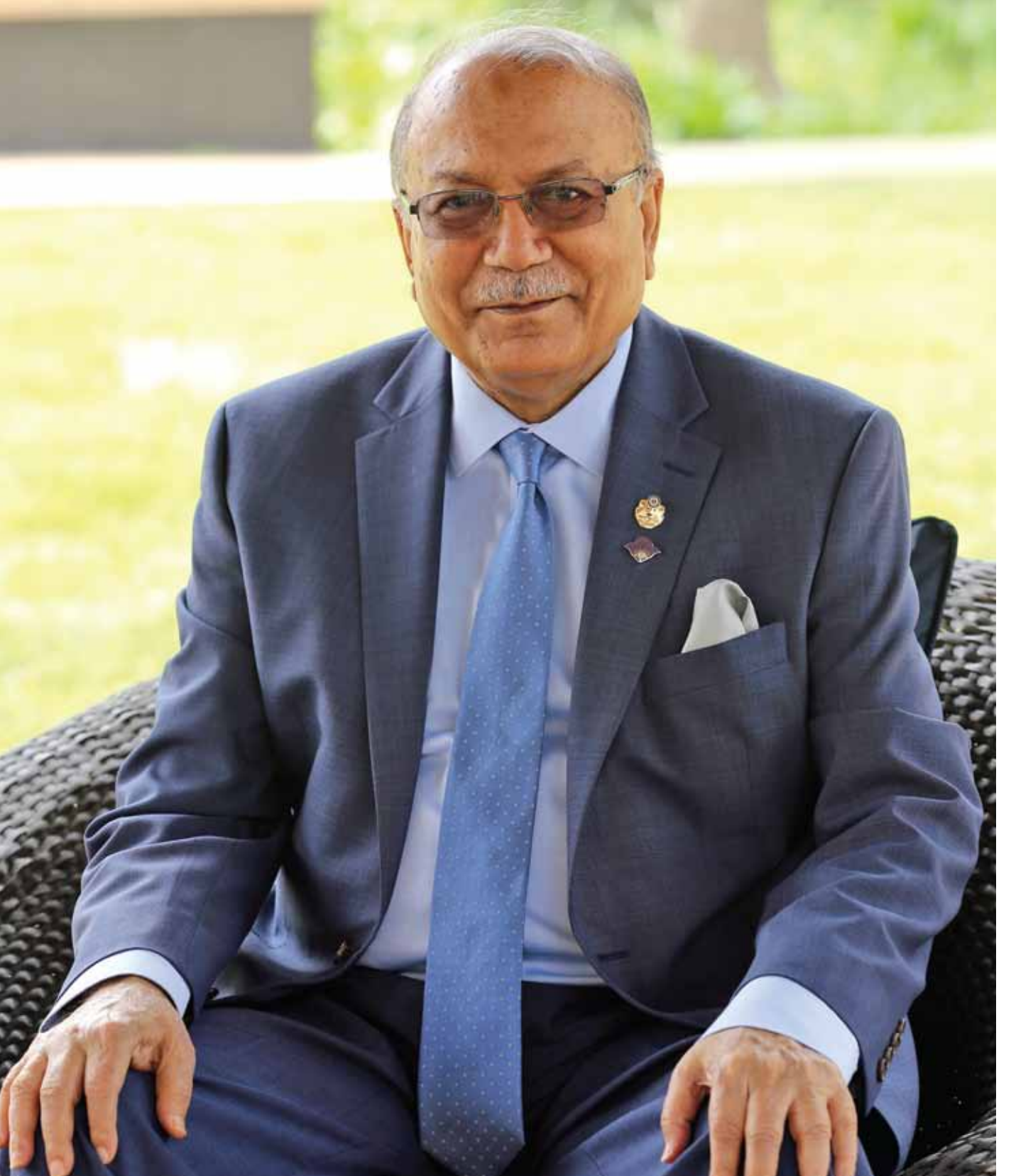
MANAGEMENT TEAM

Designation	Name
Managing Director & CEO	Mr. Mamun-Ur-Rashid
Additional Managing Director	Mr. Md. Tariqul Azam
Deputy Managing Director	Mr. Md. Motaleb Hossain
Sr. Executive Vice President	Mr. A. F. Jamal Uddin Mr. Mohammad Ali Ms. Haider Nurun Naher Mr. Muhammed Sakhawatur Rahman Mr. Feroze Alam
Principal Executive Vice President	Mr. Mohammad Zakaria
Sr. Vice President	Mr. Hossain Ahmad Mr. M Ahsan Ullah Khan Mr. M.U.M Musaddeque Mr. Haradhan Chandra Das Mr. Syed Anisur Rahman Mr. Md. Nazrul Islam Mr. A. H. M. Manzur Quader Khan Mr. Md. Saiful Islam Khan Mr. Zaglul Pasha Mr. Md. Zashim Uddin Mr. Probir Kumar Bhowmick
CFO & Acting Company Secretary	Mr. Md. Ali Reza
Vice President	Mr. Md. Rafiqul Islam Mr. Golam Rahman Mr. Rahim Khan Mr. Md. Ibrahim Khalil Mr. Sheikh Lutfar Rahman Mr. Md. Nurul Islam Mr. Md. Zahangir Alam Mr. Md. Shafiqul Hassan Mr. Prabir Ranjan Das Mr. Shah Rahat Uddin Ahmed Mr. Mamun Abdur Raschid Mr. Md. Ekramul Haque Mr. Ashek Abedin Mr. M A Goffer Daria Mr. Syed Mosnoon Ali Mr. Md. Rezaul Hoque Ms. Rubina Khan Mr. Md. Shahabuddin Chisti Ms. Rebeka Sultana Mr. Md. Abu Hena Nazim Uddin Mr. Muhammad Golam Mustafa Mr. Md. Suruj Ali Mr. Md. Saiful Islam Mr. Mohammad Ali Mr. Md. Mahbubur Razzak Mr. S. M. Nazrul Islam Mr. Md. Farhad Hussain Mr. Md. Abdul Mannan Mr. Mohammad Shohrab Hossain Mr. Mohammad Faisal Ms. Quamrun Nahar Hasmi Mr. Mesbah Ul Alam Mr. A.K.M. Manjur Alam Mr. Md. Farukuzzaman Mr. Md. Raisul Alam Mr. Mominul Abedin Mr. Mohammad Zahid Hasan Mr. Md. Aminul Islam Mr. Kh Sazzadur Rahim

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

Designation	Name
Asst. Vice President	Ms. Saila Satter Mr. Joarder Elias Rahman Mr. Yakub Md. Shahjahan Mr. Md. Touhid Hossain Ms. Aliya Sultana Mr. Augustin Sardar Mr. Md. Golam Mostafa Bhuiyan Mr. Mohammed Idrich Mr. Bazal Ahmed Mr. Mohammed Forman Elahi Mr. Md. Mezbaul Kashem Mr. Mohammad Rajib Ahsan Ms. Nur-Un-Nahar Begum Ms. Shahina Momtaj Mr. Md. Abdul Halim Mr. Mohammed Shohid Ullah Mr. Nurul Akther Mr. Mrinal Kanti Sutradhar Mr. Aziz Ahmed Mr. Md. Ayubur Rahman Ms. Nargis Akter Mr. Badiuzzaman Sharif Mr. Kazi Abdul Kyum Khadem Mr. Md. Wahidul Huda Ms. Papia Chamei Ms. Sabitri Rani Karmaker Mr. Kayum Mahmud Mr. Mohammad Shafiullah Mr. Abu Hena Mostofa Kamal Mr. Golam Mostafa Mr. Md. Mir Shahriar Kayes Mr. Mohammad Harun-Ur-Rashid Mr. Md. Sayedur Rahman Mr. Md. Billal Hossain Ms. Hasina Yesmin Mr. Md. Abdul Khaleque Mr. Nurul Murshid Rajee Mr. Khandoker Didarul Islam Mr. Md. Shafiqul Islam Mr. Asaduzzaman Mr. Abu Nayem Md. Ibrahim Mr. Mohammad Shafiqul Islam Mr. Mohammed Anisuzzaman Chowdury Mr. Sheikh Mohammed Mohsin Mr. Syed Abdullah Al Mamun Mr. Mohammad Humayun Kabir Mr. Fachihul Alam Chowdhury Mr. Md. Nayeem Chowdhury Mr. Khan Md. Zahurul Haque Mr. Abul Bashir Md. Atikul Islam Mr. Md. Munir Hassan Mr. Md. Rezaur Rahman Mr. Md. Hasibul Hasan Mr. Md. Jaynul Abedin Mr. Mirza Muhammad Masud Rana Mr. Md. Ramzan Ali Mr. Khandaker Amir Entezam Mr. Saiful Islam Manik

চেয়ারম্যান মহোদয়ের ভাষণ



কাজী আকরাম উদ্দিন আহমদ
চেয়ারম্যান

বিস্মিল্লাহির রাহমানির রাহিম,

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

আস-সালামু আলাইকুম।

গ্রীষ্মের এই উষ্ণ সকালে স্ট্যান্ডার্ড ব্যাংক লিমিটেডের ১৯তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সবাইকে স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত ও সম্মানিত বোধ করছি। আমি কৃতজ্ঞতা ও শ্রদ্ধা নিবেদন করছি তাদের উদ্দেশ্যে, যাদের অব্যাহত সমর্থন, সক্রিয় সহযোগিতা ও 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 আর্থ-সামাজিক উন্নয়নে অবদান রাখার পাশাপাশি স্ট্যান্ডার্ড 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 স্ট্যান্ডার্ড ব্যাংক লিমিটেডের ২০১৭ 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 প্রদানও 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 মহানসৃষ্টিকর্তার কাছে শোকরিয়া আদায় করছি।

সাম্প্রতিক সময়ে বিশ্ব অর্থনীতির ধীর গতি, পৃথিবীর বিভিন্ন দেশে ছড়িয়ে পড়া ভূ-রাজনৈতিক সংঘাত সহ নানামুখী চ্যালেঞ্জের কারণে বিশ্ব অর্থনীতি কঙ্কিত লক্ষ্যে পৌঁছাতে পারেনি, যার ফলে প্রবৃদ্ধির ক্ষেত্রে উন্নত ও উন্নয়নশীল দেশগুলোর মধ্যে ছিল ভিন্ন ভিন্ন গতি। তবে আশার কথা এই যে, বিশ্বব্যাপী বিরাজমান প্রবৃদ্ধির মিশ্র অবস্থার মধ্যে উদীয়মান অর্থনীতির উজ্জ্বল দৃষ্টান্ত হিসেবে বাংলাদেশ বিশ্বে অবদান আর্জন করেছে। ২০১৬-১৭ বৎসরে জিডিপি দাঁড়িয়েছে ৭.২৪ শতাংশে এবং ২০১৭-১৮ সালে ৭.৬৫ শতাংশ প্রাক্কলন করা হয়েছে। ক্রয় ক্ষমতার ভিত্তিতে বাংলাদেশের অবস্থান ৩২ তম এবং জিডিপি'র ভিত্তিতে ৪৪ তম স্থানে উঠে এসেছে। বর্তমানে বাংলাদেশ গড় আয় দাঁড়িয়েছে ১৬০২ মার্কিন ডলারে। দারিদ্রের হার ২৩.২% এবং দারিদ্রসীমার নিচে অতি দরিদ্র ১২.৯% - এ নেমে এসেছে। ২০১৭ সালে বৈদেশিক মুদ্রার রিজার্ভ ৩৩.৪ বিলিয়ন ডলারে উন্নীত হয়েছে। ওয়ার্ল্ড ইকোনোমিক ফোরামের রিপোর্ট, ২০১৮ অনুযায়ী অন্তর্ভুক্তিমূলক উন্নয়ন সূচকে (Inclusive Development Index) ৩.৯৮ পয়েন্ট অর্জন করে ৭৭টি উন্নয়নশীল দেশের মধ্যে বাংলাদেশ ৩৪ তম স্থান দখল করে ভারত ও পাকিস্তানকে পেছনে ফেলেছে।

বাংলাদেশের অর্থনীতিতে নতুন মাত্রা যোগ করেছে বেশ কয়েকটি মেগা প্রকল্পতথা পদ্মা সেতু, রূপপুর আগবিক কেন্দ্র, রামপাল তাপ বিদ্যুৎ কেন্দ্র, ৪-লাইনসড়ক 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। বাংলাদেশের অর্থনীতিতে সেবা খাতের অবদান সবচেয়ে বেশি। জিডিপি'র ৫৫.৮৯% সেবাখাত থেকে উৎসারিত। কৃষি ও শিল্প যথাক্রমে ১৩.৭৫% ও ৩০.৩৭% অবদান রাখে। অতি সম্প্রতি এইচএসবিসি এবং অক্সফোর্ড ইকোনোমিক্স কর্তৃক যৌথভাবে প্রণীত এক প্রতিবেদনে বলা হয়েছে, 'বিশ্ব অর্থনীতির অনিশ্চয়তার মধ্যেও বাংলাদেশ বিশ্বায়করভাবে স্থিতিশীল ছিল'। প্রতিবেদনে পূর্বাভাস দেয়া হয়েছে, বাংলাদেশের পোশাক রপ্তানি ২০২০ সাল পর্যন্ত বছরে গড়ে ৯ শতাংশ হারে বাড়বে। একই সাথে জাতিসংঘের আঞ্চলিক বরাহত 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: ব্রেজিটের পর যুক্তরাজ্যে পণ্যের চাহিদা কমে গেলে বাংলাদেশের রপ্তানিখাত ক্ষতিগ্রস্ত হতে পারে। আগামী দিনের বাংলাদেশ অর্থনীতির সম্ভাবনা ও চ্যালেঞ্জ দু'টাই থাকবে এবং নানা বিশ্লেষণে একটি স্থিতিশীল ও অগ্রসরমান অর্থনীতির চিত্রই ফুটে ওঠে।

২০১৭ সাল ব্যাংকিং খাত স্থিতিশীলতার দিকে আরো এক ধাপ এগিয়ে যেতে সহায়ক পরিবেশে ব্যাংকিং কার্যক্রম পরিচালনার সুযোগ লাভ করেছিল। মাথাপিছু আয়বৃদ্ধি, 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 ৫.৪৪ শতাংশের মধ্যে থাকা

সঞ্চয়ের উপর ইতিবাচক প্রভাব পড়েছে। সদ্য বিদায়ী বছর শেষে ব্যাংকিং খাতে আমানতের পরিমাণ দাঁড়িয়েছে ৯ লক্ষ ২৬ হাজার কোটি টাকা এবং ঋণপ্রবাহ ১০ লক্ষ ৮ হাজার কোটি টাকায় উন্নীত হয়েছে। আমদানি বাণিজ্যের পরিমাণ ছিল ৩ লক্ষ ৭৬ হাজার কোটি টাকা এবং রপ্তানি ২ লক্ষ ৭৮ হাজার কোটি টাকা। ব্যাংকিং খাতের জন্য এগুলো ছিল ইতিবাচক দিক। তবে, বিগত বছরে ব্যাংকিং খাত খেলাপী ঋণ হ্রাসকরণে সফলতা দেখাতে পারেনি; বরং এর পরিমাণ আরো বেড়েছে। ২০১৭ সালে শ্রেণীকৃত ঋণের পরিমাণ দাঁড়িয়েছে ৭৪ হাজার কোটি টাকা। এছাড়া, অবলোপনকৃত ঋণের পরিমাণ ৪৬ হাজার কোটি টাকা; যার সিংহভাগই আদায়ের সম্ভাবনা থেকে দূরে।

২০১৭ সালে ব্যাংকের শাখার সংখ্যাও বেড়েছে এবং বছর শেষে প্রায় ১০,০০০ টি শাখা ব্যাংকিং সেবা প্রদান করেছে। ব্যাংকিং খাতের বিনিয়োগকে অধিকতর ব্যবসা বান্ধব করার লক্ষ্যে সুদের হার একক ডিজিটে আনার প্রচেষ্টা অব্যাহত রয়েছে। বাংলাদেশ ব্যাংকের নির্দেশনার আলোকে স্প্রেড ৫ শতাংশের মধ্যে রাখার জন্য ব্যাংকগুলো নিষ্ঠার পরিচয় দিচ্ছে। বাংলাদেশের মুদানীতি (জুলাই-ডিসেম্বর, ২০১৭) অনুসারে ব্যাংকের ঋণ প্রবাহ ১৬.৮ শতাংশবৃদ্ধির কথা বলা হয়। সে হিসেবে ব্যাংকের ঋণ প্রবৃদ্ধি যথাযথ পর্যায়ে রয়েছে। ব্যাংকিং খাতের সার্বিক চিত্র অবশ্যই আশাব্যঞ্জক। তবে, খেলাপী ঋণের উর্ধ্বমুখী প্রবণতা কিছুটা ক্ষত সৃষ্টি করেছে। বৈদেশিক বাণিজ্যের ক্ষেত্রে ২০১৬-২০১৭ আর্থিক বছরে মোট রপ্তানী বাণিজ্য ৩৪.৮৪ বিলিয়ন ডলারের মধ্যে তৈরী পোষাকখাতেই ২৫.৬৯ বিলিয়ন ডলার যা ৭৩% এবং আমদানি বাণিজ্যের পরিমাণ ৪৭ বিলিয়ন ডলার। তবে, বিগত বছরে বৈদেশিক রেমিট্যান্সের প্রবাহ কমেছে। ২০১৭ এর জুলাই-ডিসেম্বর অর্ধে পূর্ববর্তী বছরের একই সময়ের তুলনায় ১৪.৪৮ শতাংশ রেমিট্যান্স কমেছে। আলোচ্য সময়ে তেলের দাম হ্রাস, ইউরো ও পাউন্ডের মূল্যের অবনয়ন ও হুডি-প্রবণতা রেমিট্যান্স প্রবাহে বিরূপ প্রভাব পড়েছে। আপনারা সকলেই অবগত আছেন যে, আমাদের নিবেদিত কর্মীবাহিনী তীব্র প্রতিযোগিতামূলক ব্যাংকিং পরিবেশে নিষ্ঠার সাথে কাজ করে সফলভাবে ব্যাংকের কার্যক্রমকে সম্মানিত গ্রাহকবৃন্দের কাছে সহজলভ্য করে তুলেছে। গ্রাহকদের দ্রুত পরিবর্তনশীল চাহিদা মেটানোর লক্ষ্যে ব্যাংক তার প্রাতিষ্ঠানিক কাঠামো যুগোপযোগী ও আধুনিকায়ন করেছে। আমরা দৃঢ়ভাবে বিশ্বাস করি, এ ব্যাংকটি হবে গ্রাহক সেবায় নিবেদিত কর্মতৎপর, কর্মসূচীতে প্রগতিশীল, লেনদেনে স্বচ্ছ, বিচার বিবেচনায় ন্যায্যপরায়ণ, মননে ভবিষ্যমুখী, দৃষ্টিভঙ্গিতে নিরপেক্ষ। আমাদের দূরদশী পরিকল্পনা সমূহ, কর্পোরেট সুশাসন, আধুনিক ব্যবস্থাপনা, উন্নততর প্রযুক্তির ব্যবহার, অধিকতর মুনাফা অর্জন এবং সচ্ছ আর্থিক ভিত্তি ও ব্যাংকের উচ্চ সুনাম সৃষ্টির লক্ষ্যে প্রণীত। ব্যাংকের পরিচালনা পর্ষদের মূল্যবান দিক নির্দেশনা ও তত্ত্বাবধানে এবং আমাদের দক্ষ জনশক্তির সার্বিক সহযোগিতায় আমরা স্বচ্ছ ও দায়িত্বশীল ব্যাংক ব্যবস্থাপনায় অঙ্গীকারাবদ্ধ। স্ট্যান্ডার্ড ব্যাংক লিমিটেড বিদ্যমান মূল্যবোধ ও চলমান ধারার সাথে তাল রেখে এবং বৃহৎ আর্থিক প্রতিষ্ঠানের সামাজিক ও পরিবেশের প্রতি দায়িত্ব ও গুরুত্বের প্রতি সম্মান রেখে বাণিজ্যিক কার্যক্রম পরিচালনা করে থাকে। গ্রীণব্যাংকিং এর দিকে ব্যাংক দ্রুত অগ্রসর হচ্ছে। বর্তমানে ব্যাসেল-৩ চালু হওয়ায় প্রয়োজনীয় মূলধনের পর্যাপ্ততা নিরূপণ পূর্বক গ্রহণযোগ্য মূলধন সংরক্ষণের লক্ষ্যে ৬০০ কোটি টাকার সাবঅর্ডিনেট বন্ড ইস্যু করা হয়েছে। যার ফলে ব্যাংকটি একটি শক্তিশালী ভিত্তির উপর দাঁড়াবে, বর্তমানে ব্যাংকের মূলধন পর্যাপ্ততার হার ১৩.৯৬%। দেশের পুঁজিবাজারকে আরো শক্তিশালী ও গতিশীল করার নিমিত্তে আমরা -এসবিএল ক্যাপিটাল ম্যানেজমেন্ট- এর মাধ্যমে ১৬০ কোটি টাকা বিনিয়োগ করা হয়েছে এবং ক্ষুদ্র বিনিয়োগকারীদের অর্থ সরবরাহ বাড়ানোর লক্ষ্যে স্ট্যান্ডার্ড ব্যাংক সিকিউরিটিজ লিঃ এর মাধ্যমে প্রায় ৮০ কোটি টাকা বিনিয়োগ করা হয়েছে। দেশের জনগণের ধর্মীয় অনুভূতির বিষয়টি বিবেচনায় নিয়ে ঢাকা ও চট্টগ্রামের দুটি শাখায় পৃথক ইসলামী ব্যাংকিং উইন্ডোর মাধ্যমে এবং সারাদেশে বিদ্যমান ১২৫টি শাখার সাহায্যে ব্যাংকিং সেবা প্রদান করা হচ্ছে এবং উক্ত সেবা আরো সম্প্রসারণ করার জন্য আমরা প্রচেষ্টা চালিয়ে যাচ্ছি। অনাবাসী বাংলাদেশীদের কফীজিত বৈদেশিক

মুদ্রা দ্রুত দেশে আনয়নের লক্ষ্যে আন্তর্জাতিক 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 মালিকানায় যুক্তরাজ্যের নিউইয়র্কের জ্যাকসন হাইটসএ স্ট্যান্ডার্ড কোম্পানি ইউএসএ ইনকর্পোরেশন “স্ট্যান্ডার্ড এক্সপ্রেস” খোলার পর নিউইয়র্কে জ্যামাইকা, ওজোন-পার্ক, ব্রুকলিন ও ব্রুক্স-এ আরও ৪ টি শাখা খুলেছি এবং অ্যাসটোরিয়া নিউইয়র্ক ও লস এঞ্জেলস এ শাখা খোলার পদক্ষেপ নেয়া হয়েছে। ইতিমধ্যে সৌদি আরবের 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 প্রত্যাগতদের সেবা সম্প্রসারণের লক্ষ্যে হযরত শাহজালাল(র) আন্তর্জাতিক বিমান বন্দর, ঢাকাতে আমরা ‘ফরেন কারেঞ্জি এক্সচেঞ্জ’ বুথ খোলা হয়েছে। বিগত বছরে ফরেন রেমিট্যান্স 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 করেছে এবং শ্রমজীবী ও সাধারণ মানুষের কল্যাণে ওয়ার্কাস সেভিংস স্কিম এর মতো জনকল্যাণমুখী ব্যাংকিং কার্যক্রম প্রক্রিয়াধীন এবং শীঘ্রই তা প্রবর্তন করা হবে। জনসেবার বিষয়ে অগ্রাধিকার দিয়ে বিভিন্ন সংস্থার আবাসিক/ বাণিজ্যিক/ শিল্পখাতের বিভিন্ন ইউটিলিটি বিলসমূহ সংগ্রহ করে আসছি। ধর্মীয় মূল্যবোধের প্রতি শ্রদ্ধা প্রদর্শন করে সরকারী ও বেসরকারি সম্মানিত হজ্জ গমনোচ্ছুদের হজ্জের ফি সমূহ জমা গ্রহণ করে থাকি।

বাংলাদেশ রোড ট্রান্সপোর্ট অথরিটি (বিআরটিএ) যানবাহন নবায়ন, রেজিস্ট্রেশন ইত্যাদি ফি সমূহ ও আমরা জমা নিয়ে থাকি। দেশের ব্যবসা-বাণিজ্যে গতিশীলতা আনয়নের লক্ষ্যে ক্ষুদ্র ও মাঝারী খাতে বিনিয়োগের পরিমাণ বৃদ্ধি করা হয়েছে। দেশের কৃষি, কৃষক তথা আপামর দরিদ্র জনসাধারণের জীবন মান উন্নয়নের লক্ষ্যে কৃষি খাতে বিনিয়োগের পরিমাণ বৃদ্ধি করা হয়েছে। এবছর কৃষি ও কৃষিভিত্তিক শিল্পখাতে ঋণ বিতরণের পরিমাণ দাঁড়িয়েছে ২২১.১৭ কোটি টাকা। বিগত ২০১৭ সনে এসএমই খাতে ১৩৮৭.৯৭ কোটি টাকা ঋণ বিতরণ করা হয়েছে যার পরিমাণ ২০১৬ সালে ছিল ৬৬০ কোটি টাকা।

ক্ষুদ্র ও মাঝারী উদ্যোক্তারা অর্থনীতির প্রাণশক্তি। তাদেরকে অর্থনীতির মূলপ্রোতধারায় নিয়ে আসার লক্ষ্যে প্রধান কার্যালয় ও শাখা পর্যায়ে এসএমই ও কৃষি ঋণ নামে স্বতন্ত্র বিভাগের মাধ্যমে ক্ষুদ্র ব্যবসায়ী ও কৃষকদের প্রতিনিয়ত সেবা প্রদান করা হচ্ছে। আমরা বিশ্বাস করি, দেশ ও জাতির উন্নয়নের জন্য এসএমই ও কৃষি খাতের উন্নয়ন অনস্বীকার্য। তাই আমাদের প্রতিটি শাখাকে এসএমই ও কৃষিখাতে অর্থায়নের জন্য লক্ষ্যমাত্রা নির্ধারণ করে দেয়া হয়েছে, যাতে করে উক্ত খাতে আমরা আরো উল্লেখযোগ্য অবদান রাখতে সক্ষম হই। কৃষকদেরকে ব্যাংকিং চ্যানেলের আওতায় আনার লক্ষ্যে আমাদের ব্যাংক গ্রামীণ, এসএমই/কৃষি শাখাতে ১০ টাকা করে জমা গ্রহণের মাধ্যমে হিসাব খোলার নিয়ম চালু করেছে। দেশের অর্থনীতির মূল চালিকা শক্তি হচ্ছে বৈদেশিক মুদ্রা। তাই আমাদের দেশের বৈদেশিক মুদ্রা ভান্ডার সমৃদ্ধশালী করার লক্ষ্যে রেমিট্যান্স আনয়নের পাশাপাশি আমদানি/রপ্তানি-খাতকে অগ্রাধিকার দিয়েছি এবং ট্র্যাডিশনাল আইটেম যেমন; তৈরি পোশাক, চামড়া, চা, কাঁচা পাট ও পাটজাত দ্রব্য এবং নন-ট্র্যাডিশনাল আইটেম যেমন: টাইলস, বাইসাইকেল, চিংড়ি, হস্তশিল্প, পান-সুপারি, ধনিয়া বীজ,বোতল, কাঁচা শাক-সবজি ও কাঁকড়াসহ রপ্তানি খাতে অর্থায়ন অব্যাহত রেখেছে। জাতীয় অর্থনীতিতে অগ্রণী ভূমিকা পালনের পাশাপাশি সরকারী কোষাগারে প্রতি বছর বিপুল পরিমাণ ট্যাক্স প্রদান করে আসছি, যার স্বীকৃতিস্বরূপ গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের জাতীয় রাজস্ব বোর্ড আভ্যন্তরীণ সম্পদ বিভাগ অর্থ-মন্ত্রণালয় “জাতীয় ট্যাক্স কার্ড নীতিমালা, ২০১০” অনুযায়ী ২০১৩-২০১৪ কর-বর্ষে কোম্পানি পর্যায়ে ৮ম সর্বোচ্চ আয়-

করদাতা হিসেবে স্ট্যান্ডার্ড ব্যাংক লিমিটেড কে ট্যাক্স কার্ড সম্মাননা দিয়েছে। অনলাইন ব্যাংকিং সার্ভিস প্রবর্তনের পর পরই ব্যাংক ক্রেডিট ও ডেবিট কার্ডের মাধ্যমে সেবার মানকে অত্যাধুনিক করা হয়েছে। ইতোমধ্যে অত্র ব্যাংকের ক্রেডিট কার্ড দেশ-বিদেশের বিভিন্ন স্থানে ব্যবহার করা যায়। সেজন্যে অন্যান্য ব্যাংক ও সংস্থার সঙ্গে চুক্তির মাধ্যমে আমরা একটি শক্তিশালী নেটওয়ার্ক গড়ে তুলেছি এবং আমাদের কার্ড হোল্ডারগণ যাতে নিরলস সেবা পেতে পারেন সে লক্ষ্যে আমরা অত্যাধুনিক যন্ত্রপাতি দিয়ে কার্ড ও আইটি বিভাগ-দ্বয়কে স্বয়ংক্রিয় করেছি। আমরা ইতোমধ্যে গ্রামে ও শহরে যৌথভাবে এটিএম বুথ খুলে ডিজিটাল বাংলাদেশের অগ্রযাত্রা শুরু করেছি। পর্যায়ক্রমে এটিএম এর সুবিধা আমরা সর্বস্তরের গ্রাহকের কাছে সহজলভ্য করতে চাই। সারাদেশে আমাদের ৬৭টি এটিএম বুথ খোলা হয়েছে এবং চলতি বছরে আমরা আরও ৫০ টি এটিএমবুথ খোলার পরিকল্পনা রয়েছে। আপনারা জেনে খুশি হবেন গত ২০১৫ সালে স্ট্যান্ডার্ড ব্যাংক ন্যাশনাল পেমেন্ট সুইচ সিস্টেমের সাথে যুক্ত হয়েছে, যার ফলে বিভিন্ন ব্যাংকের ক্যাশ নেটওয়ার্কের আওতায় আমাদের সম্মানিত গ্রাহকরা প্রায় ৯,৫০০টির বেশি এটিএম বুথ ব্যবহারের সুযোগ পাবেন। ন্যাশনাল পেমেন্ট সুইচ সিস্টেমের আওতায় গ্রাহকগণ ডেবিট কার্ডের মাধ্যমে ২৮,০০০টি মার্চেন্ট আউটলেটে কেনাকাটা করতে পারবে। এছাড়া আমরা গ্রাহকদের সুবিধার্থে ই-কমার্স চালু করার উদ্যোগ নিয়েছি।

ব্যাংকিং খাতে প্রযুক্তিকে ব্যবহারের অন্যতম হলো এসএমএস ব্যাংকিং বা অ্যাপলি 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 তার 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 বসবাস-কারী লোকদেরকে ব্যাংকিং সেবা দেওয়ার মানসেই আমাদের ব্যাংক মোবাইল ব্যাংকিং কার্যক্রম চালুর উদ্যোগ নিয়েছে। এ সেবার আওতায় মোবাইল ফোনের মাধ্যমে অর্থ প্রেরণ- জমা ও উত্তোলন- বেতন ভাতাদি প্রদান- ইউটিলিটি বিল পরিশোধ ইত্যাদি করা যাবে। ভৌগোলিকভাবে দেশের দুর্গম, পাহাড়ি, প্রত্যন্ত ও কম ঘনবসতি এলাকা যেখানে ব্যাংকিং সুবিধা এখনো পৌঁছায়নি ওই সব এলাকায় ছড়িয়ে, ছিটিয়ে থাকা দরিদ্র মানুষকে সীমিত আকারে ব্যাংকিং সেবা প্রদানের লক্ষ্য নিয়ে এজেন্টের মাধ্যমে সশ্রমী ব্যয়ে সীমিত আকারে আর্থিক সেবা দেওয়ার লক্ষ্যে এজেন্ট ব্যাংকিং চালু করা হয়েছে। এজেন্ট ব্যাংকিং এর মাধ্যমে সেসব প্রত্যন্ত গ্রাম বা এলাকার বাসিন্দারা নিজ পাড়া বা মহল্লায় অবস্থিত ব্যাংকের নিযুক্ত এজেন্টের কাছে গিয়ে স্বল্প ব্যয়ে ছোট অঙ্কের আমানত জমা, খণ্ডের 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 অথরাইজড ডিলার (এডি) শাখার কার্যক্রম অব্যাহত আছে এবং শীঘ্রই দেশের অভ্যন্তর থেকে বিদেশী গ্রাহকদের দোরগোড়ায় 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 ২০১৭ 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 ২০১৭ সালে অর্জিত ব্যবসার তুলনামূলক পরিসংখ্যান নিম্নরূপ:

	২০১৭	২০১৬
ব্যাংকের আমানত	১৩,৪৭৩ কোটি টাকা	১২,২৫৫ কোটি টাকা
ঋণ ও অগ্রিম	১২,৮২৩ কোটি টাকা	১০,৫০৪ কোটি টাকা
বৈদেশিক বাণিজ্য	১১,০৩১ কোটি টাকা	৯,৪১৯ কোটি টাকা
ব্যাংকের পরিচালন মূল্য	৩৩২ কোটি টাকা	৩২২ কোটি টাকা
প্রতি শেয়ারে আয়	১.৫৬ টাকা	১.৩৭ টাকা
পরিশোধিত মূলধন	৭৯১.৮১ কোটি টাকা	৭৫৪.১০ কোটি টাকা

আপনারা জেনে 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। নকশা অনুমোদন প্রক্রিয়াধীন রয়েছে। ইনশাআল্লাহ, খুব অল্প সময়ের মধ্যেই আধুনিক স্থাপনার নান্দনিক নির্মাণশৈলীর কর্পোরেট অফিস নির্মাণ কাজ শুরু হবে। ২০১৭ সালে আমরা ৬টি গ্রামীণ ও ৫টি শহর-ভিত্তিক মোট ১১টি শাখা খুলেছি। চলতি বছর আমরা আরো ৮ টি শাখা খোলার অনুমতি পেয়েছি। ইতোমধ্যে, স্থান নির্বাচন ও আনুষঙ্গিক কার্যক্রমের কাজ প্রায় সমাপ্ত। ব্যাংকের এই সম্প্রসারণ কার্যক্রমকে বাস্তবায়ন করার লক্ষ্যে আমরা অভিজ্ঞ কর্মকর্তা-কর্মচারী নিয়োগ দিয়ে মোট লোকবল ২০৭৬ 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, প্রতিশীল 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 সম্পন্ন করতে পারছে। গ্রাহকদের ব্যাংকিং কার্যক্রম নিরবচ্ছিন্ন করার লক্ষ্যে নিজস্ব পাওয়ার ম্যাপাই সুবিধা সম্পন্ন আধুনিক ‘ডাটা সেন্টার’ স্থাপন করা হয়েছে, যা অধিক ক্ষমতা সম্পন্ন। যে কোন ধরনের দুর্ঘটনা মোকাবেলা করে নিরবচ্ছিন্নভাবে 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 তুলনামূলক, ত্রুটিবিচ্যুতি, 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 করেছে। ২০০৫ সালে প্রতিষ্ঠিত স্ট্যান্ডার্ড ব্যাংক ট্রেনিং ইন্সটিটিউট দ্বারা ধীরে ধীরে পূর্ণাঙ্গ অবয়বরূপ লাভ করেছে। ব্যাংকিং জ্ঞান, গুনাবলী ও দক্ষতার উৎকর্ষ সাধনে এই ইন্সটিটিউট বিভিন্ন রকম কোর্স পরিচালনা করেছে; যেমন ব্যাংকিং ফাউন্ডেশন কোর্স ফর প্রবেশনকারী অফিসার, নব নিযুক্ত অ্যাসিস্ট্যান্ট অফিসারদের জন্য ইনডাকশন কোর্স অন ব্যাংকিং, সময়ের চাহিদার সাথে সাথে প্রয়োজন সাপেক্ষে কর্মকর্তাদের জন্য যুগোপযোগী অন্যান্য কোর্স / কর্মশালা। এইরূপ ৭৩টি কোর্স/কর্মশালা ২০১৭ সালে পরিচালনা করা হয়েছে, যাতে ২,৪০৩ জন প্রশিক্ষণার্থী অংশ নিয়েছেন।

সম্মানিত শেয়ারহোল্ডারগণ,

আপনারা নিশ্চয় অবগত আছেন যে, যদিও ২০১৭ এর বছর জুড়ে সামগ্রিক অর্থনীতি স্থিতিশীল ছিল, কিন্তু ব্যাংকিং খাত শ্রুত-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 ২০১৭ সালের নিট মুনাফার পরিমাণ ১২৩.৮৪ কোটি টাকা। আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, ব্যাংকের পরিচালনা পর্ষদ বাস্তব অবস্থা পর্যালোচনা পূর্বক ২০১৭ সালের জন্য ১০% হারে স্টক ডিভিডেন্ড প্রদানের সুপারিশ করেছে, যা আপনারদের অনুমোদনের জন্য বার্ষিক সাধারণ সভায় আলোচ্যসূচীতে অন্তর্ভুক্ত করা হয়েছে।

প্রিয় শেয়ারহোল্ডারগণ,

বিদ্যমান অর্থনীতির বিরূপ পরিস্থিতিতে গত বছরের ব্যাংকের শ্রেণীবিন্যাসকৃত ঋণের পরিমাণকে নিয়ন্ত্রণ ও তদারকি করার জন্য প্রধান কার্যালয়ে ঋণ আদায় বিভাগ, শাখা ব্যবস্থাপকদের সঙ্গে নিয়মিত যোগাযোগ করে আসছে। উক্ত বিভাগ প্রতিনিয়ত মনিটরিং ও ফলোআপ করছে, শ্রেণীবিন্যাসকৃত ঋণের উর্ধ্বগতি নিয়ন্ত্রণে রাখার প্রচেষ্টা অব্যাহত রয়েছে। পর্ষদের সম্মানিত পরিচালকবৃন্দের প্রজ্ঞা, ব্যবস্থাপনা কর্তৃপক্ষের বিচক্ষণতা ও ব্যবস্থাপকবৃন্দের বিশ্লেষণাত্মক কার্যক্রমের জন্য আমি সবাইকে জানাই আন্তরিক ধন্যবাদ।

সম্মানিত শেয়ারহোল্ডারগণ,

কর্পোরেট হাউজ হিসেবে সকল কর্মকাণ্ডে আমরা প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতার প্রতি প্রতিশ্রুতিবদ্ধ। ব্যাংক 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, শীতাত্তরদের মাঝেশীত বস্ত্র বিতরণ, অবহেলিত ও সুবিধাবঞ্চিত 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 ২০১৭ সালে প্রায় ১৭.৯৮ 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 সমন্বিত 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 মুহূর্তে আরো একটি সফল বছরের প্রত্যাশায় যাত্রা শুরু করছি। সর্বশক্তিমান আল্লাহ-তায়াল্লা আমাদের এই যাত্রায় সহায় হোন- এ শুভ কামনায় সকলকে ধন্যবাদ।

আল্লাহ হাফেজ

কাজী আকরাম উদ্দিন আহমদ
চেয়ারম্যান- পরিচালনা পর্ষদ

MANAGING DIRECTOR & CEO'S ROUND UP



Mamun Ur Rashid

Managing Director & CEO

Dear Stakeholders,

It does give me immense pleasure and privilege to welcome our Honorable Chairman, Directors, Respected Shareholders, Distinguished Guests from the media and Invited Participants on this august occasion of the 19th Annual General Meeting of Standard Bank Limited (SBL). I am truly delighted and feel proud to be able to present the performance report of our Bank before you for the second consecutive year as the Managing Director. You are all fully aware that the outgoing year 2017 has been fraught with many unanticipated challenges, which our Bank has been able to tide over with flying colors on the strength of collaborative efforts of the entire Standard Bank family including the Hon'ble Board of Directors, who continued to exert their unflinching efforts against all possible odds in order to further consolidate the Bank's position stronger than ever before. Our endless hard work under the prudent guidance of our visionary Board of Directors finally paid off enabling us to pass the year 2017 as yet another year of prosperity and progress. Thus, at this auspicious moment, I enthusiastically take the opportunity to express my heartfelt gratitude and sincere thanks to our respected shareholders, customers and well-wishers for their continued support and cooperation throughout the year which has always been a great source of inspiration that helped us to achieve the steady growth and greater height of prosperity. Also, we express our cordial thanks to Bangladesh Bank and BSEC for their continuous support, co-operation and advice in our progress.

Standard Bank 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 is to contribute to the national economy and at the same time maximize the shareholders' wealth. We have also tried to be a compliant bank and it was our continuous endeavor to follow all 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 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 2017. It is my perception that your unstinted and unwavering support and inspiration have provided us strength to face those challenges successfully which are gradually leading us to the highest peak of success and progress. It has been the Board's and Management's endeavor in developing Standard Bank Limited as a global institution. Standard Bank Limited (SBL) as a trusted partner in progress is financing trade, Commerce and industry and also playing an active role in various socio-economic development. From the financial point of view, participating in social development activities may not be seen as commercially profitable or income generating, but from the development point of view, its impact on the country's overall development is immeasurable.

The activities of the Bank centered around achieving the targets of selected indicators. For this, we invested the excess liquidity into high profit-yielding sectors and put more emphasis on Retail and SME finance for increasing high-value assets. Besides, as a part of asset diversification, steps have been taken to increase credit flow to low-risk corporate sectors. On the other hand, interest-free and low-interest deposit collection has been prioritized aimed at rationalizing the cost of fund. Specially, steps have been taken to increase security measures of Treasury Department and strengthen it in a bid to make fund management more effective. Our other objective of financial inclusion is to build-up a Banking nation by providing low-cost banking services to the unbanked, backward and limited income people. SBL is providing this service for a long time by practicing mass banking. Bangladesh Bank's encouragement and enthusiasm has added different dimensions for expanding of financial inclusive banking. Marginal farmers, cleaners, street children, social safety beneficiaries, Businessman, Service holders and students have opened 4,51,441 deposit accounts with SBL which was 3,77,063 in 2016. Besides personal saving opportunity, account holders are enjoying multiple banking facilities.

GLOBAL OUTLOOK AND OUR ECONOMY

Global growth reached a stronger-than-expected 3 percent in 2017- a notable recovery from a post-crisis low of 2.4 percent in 2016. The substantial improvement reflected an investment-led pickup in advanced economies and a growth acceleration in EMDEs, where activity in commodity exporters rebounded. Overall, growth increased in more than half of the world's economies in 2017, highlighting the broad-based nature of the recovery. In 2018, global growth is forecasted to edge up to 3.1 percent as the cyclical upturn in advanced economies continues, albeit at a slightly more moderate pace, and EMDE growth rises to 4.5 percent, as activity recovers further in commodity exporters and remains robust in commodity importers.

The global pickup in activity that started in the second half of 2016 gained further momentum in the first half of 2017. Notable rise in investment, trade and industrial production coupled with enhanced business and consumer confidence are supporting the recovery of world economy. Based on these outcomes International Monetary Fund (IMF) has predicted an increase in the global economic growth. In the IMF's latest World Economic Outlook (WEO), October 2017 the global growth has been projected at 3.6 percent for 2017 and 3.7 percent for 2018. The continued boost in domestic demand in the developed economies, favorable financial conditions, strong business and consumer confidence are expected to play a vital role in achieving such growth targets. Significant improvement in the investment situation, increased investment in China's infrastructure and housing sector and revival from the downturn of commodity prices, even in partial, are expected to induce growth momentum of emerging and developing economies. Among the possible risks causing substantial uncertainty in global growth, the intrinsic conservation policy of some advanced economies may extra negative impact on global trade and cross-border investments. Moreover, an atmosphere of persistently subdued inflation may weaken central bank's capacity to control real interest rates. Again, continued easy monetary conditions in advanced economies may make the financial system vulnerable to an abrupt decompression of risk premiums.

The economy of Bangladesh has been able to maintain sustained growth over the years. The economy grew at a rate of 7.24 percent in FY2016-17, satisfactorily up from 7.11 percent growth in FY2015-16. The per capita national income reached US\$1,610 in FY2016-17, up by US\$145 a year earlier. Continuing the declining trend since FY2013-14 year-on-year inflation in FY2016-17 slid down to 5.44 percent from 5.92 percent in FY2015-16. With a growth rate of 16.08 percent revenue receipt in FY2016-17 also remained at satisfactory level. Exports registered a growth of 1.72 percent while import grew by 9.00 percent in FY2016-17, of which capital machinery import increased by 7.35 percent. Despite slight contraction in remittances inflow, manpower exports increased by 32.12 percent. In spite of the deficits in the current account, the surplus in capital and financial account left the overall balance of the Balance of

Payment (BoP) account in surplus of US\$3,169 million. Due to the surplus in BoP foreign exchange Reserve at the end of June 30, 2017 stood at US\$33,407 million. During the period, exchange rate broadly remained stable. Lending rate also continued to fall during FY 2016-17 which led the private sector credit to grow at 15.66 percent which increased further at the end of 2017. The GDP under the Medium-Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 7.4 percent in FY2017-18, which is expected to be achieved through the implementation of prudent fiscal management, effective application of cautious monetary policy, appropriate management of expenditure, sound implementation of the reform activities.

INDUSTRY OUTLOOK AND OUR BUSINESS POSITION

The Banking sector of Bangladesh has faced numerous challenges mostly homegrown during the financial year 2017. While interest rate on lending was falling during the most part of the year due to comfortable liquidity and congenial business environment but the rate of deposit started picking up during the latter part of the year. The challenges of the Banking Sector increases further due to volatility of deposit price along with rising NPL which has been aggravated by weak governance, poor risk management and control measures in respective banks mostly Scheduled Commercial Banks. Key profitability measures of the industry i.e. Return on Asset (RoA) and Return on Equity (RoE) have been in the declining trend. RoA declined from 0.6% at the end of September 2016 to 0.4% at the end of September 2017 whereas RoE decreased from 8.3% at the end of September 2016 to 5.9% at the end of September 2017. The Industry NPL increases from 10.3% at September 2016 to 10.7% amounting Tk. 803.10 billion at September 2017 despite writing off a large chunk of bad loans and rescheduling & restructuring of a good number of loans. On the other hand overall political and macroeconomic stability, total FDI inflows (net) accomplished to USD 2,454.81 Million during 2016-17 which was increased by USD 451.28 Million or 22.52% compared to FDI inflows (net) during 2015-16 USD 2,003.53 Million. In the budget of FY 2017- 2018 Tk. 28,203.00 Crore has been fixed for borrowing from Bank by The Government as Government borrowing from Domestic sources. Recently, The Cash Reserve Ratio (CRR) for scheduled banks has reduced to 5.50% from 6.50% at April 15, 2018 to combat the liquidity crisis in the Banking sector. Bangladesh Bank also fixed the bank rate (policy rates) at 5%, 6.00% (Repo) and 4.75% (Reverse Repo) respectively. At the backdrop, we have progressed cautiously and managed our risk profiles carefully. But I am happy to share with you that despite a difficult time, the overall performance of Standard Bank Ltd. was steady. We kept our NPL 7.30% which is lower than average NPL in Banking Sector, mainly for our 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. In the year 2017, we focused on maintaining our asset quality rather than the rapid growth of our portfolio.

Our Deposits of banking operation was Tk. 13,473.10 crore having 10% growth. Import of the Bank was Taka 6,651.01 crore. Export was Taka 4,380.70 crore and inward remittance was Taka 756.34 crore having 24% growth. In terms of budgetary achievement, Bank performed quite well even in the difficult time as mentioned above. By setting proper strategy we could lower cost of deposit to 5.71% in 2017 from 6.32% in 2016 which eventually led to 3.14% operating profit growth. All these contributed to a positive growth of Profit after Tax (PAT) by 13.81% in 2017.

CONTRIBUTION TOWARDS THE SOCIETY

As a responsible corporate citizen, we are committed to creating value for the society. We believe that development should be holistic and inclusive. Standard Bank 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 ecological balance. Since its inception, Standard Bank 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 Standard Bank, we are guided by the spirit of corporate social responsibility. To have lasting relationships with the customers based on mutual trust has always been one of our topmost priorities. In line with the guidance of Bangladesh bank, we focused on CSR by involving in different nation building activities apart from usual banking operations. During the year, Standard Bank spent an amount of Tk. 179.80 million covering a vast area of education, health and other under privileged sectors for overall betterment of the nation. We continued our financial assistance to meritorious but poor students particularly in rural areas under CSR initiative.

OUR OUTLOOK

Year 2017 was undoubtedly a challenging year for Bangladesh economy and 2018 will, no doubt offer its share of new challenges even with our excellent track record of over nineteen years of ethical and prudent banking. We want to emerge as one of the most trusted partners of progress to trade and business of the country. As we look forward, we are committed to build a shared prosperity for our society to continue to meet the needs of future generation. The global economy and banking industry has entered into a new era, experiencing rapid change in terms of market dynamics. Customers are increasingly service-focused and at the same time, more demanding. New players, especially new banks, have entered into banking sector and the level of competition has been significantly intensified. Our ongoing success lies in our own hands and in the willingness and capacity of every single person of our bank to make change happen. The faster we manage to respond to this change environment, the more room we have to maneuver. I am convinced that together with the support of our colleagues and other stake-

holders we will take the lead and become the fast driven organization in banking industry, and I count on our determination to achieve this too. Our industry has changed and is more competitive than ever before. At the same time, we are facing the great macroeconomic challenges of unfavorable deposits and lending rates and turbulent financial markets. We must find new and smart ways to convey a compelling value proposition to our customers. We need to ensure that we deliver on our promises. At the same time, we have to be highly flexible and adaptable in order to respond to volatile market demands. The more successful we are in integrating this approach into how we do things, the better positioned we will be to continue in our growth and future prospects. I believe our combined effort will make a difference. Once again, I should say that the Bank is growing and our results are also visible compared to the size of the bank. We are committed to make our bank into a modern and dynamic institution with corporate governance. We want to remain compliant, fair and transparent in our business deals. Our Bank would concentrate on sharpening its competitive edge by improving its business strategies and through performing the promises.

STRATEGIC PRIORITIES FOR 2018

The monetary policy for H2 FY 2018 has set the private sector credit growth target at 16.8%, tighter than 18.13% growth achieved in December 2017. Bangladesh Bank has revisited the ADR of Banks. The ADR of conventional banks has been re-fixed at 83.50% and 89% for Shariah-based Islamic banks from the existing 85% and 90% respectively with effect from 01.04.2019. 2018 will be a challenging year, yet our firm commitment towards excellence with outstanding operational efficiency will make the bank stronger, set examples for others to follow and create positive differences. Sustainable business growth, dynamic and talented human capital driven by values, excellent risk management, and involvement of all tier of management in decision-making process will surely command key strengths for Standard Bank. We believe that, as long as we adhere to the right strategy, take pro-active actions and forge ahead, 2018 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. Increasing of deposit focusing on financial inclusion in the unbanked areas.
2. Concerted efforts and aggressive marketing to procure more low-cost deposits with a view to reducing cost of deposits and improving Net Interest Margin (NIM) of the Bank.
3. Prudent Asset Liability Management by maintaining good credit portfolio through diversification of business with focus on SME, Retail credit and Import-Export business.
4. As banking industry is predicted to remain highly competitive with low interest margins, fee-based income and non-funded incomes shall be a strategic priority in 2018.
5. Maintaining asset quality by restricting increase of non performing assets through early detection, monitoring, corrective actions.

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

OUR GRATITUDE

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

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



Mamun Ur Rashid
Managing Director & CEO

DIRECTORS' RESPONSIBILITY STATEMENT

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

In compliance with section 184 of Companies Act 1994 and BSEC Notification 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 4595 million has been transferred to 'Statutory Reserve' which is required to equate the same with paid up capital as per section 24 of Bank Company Act 1991 (amended up to 2013).

Recommended dividend: The Board has recommended 10% stock dividend equivalent to BDT 791.8 million for the completed year 2017.

Any event after balance sheet date which may affect company's financial condition: The Board of Directors of the Bank in its 291th Board meeting held on 04.04.2018 has recommended 10% stock dividend for the year 2017 of Tk. 791,806,997 which will increase the paid-up capital of the bank to Tk. 8,709,876,967.

Any change in bank's activities, subsidiaries' activities etc.: No major change in strategy and actions in the Bank and Subsidiaries experienced in 2017.

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 2017.

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 2017.

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

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

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

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

Declaration of dividend or not: Recommended 10% stock dividend for the year 2017.

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 2017.

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 2017.

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 2017 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 2017 for your valued consideration, adoption and approval.

The Directors Report has been prepared in compliance with the Section 184 of the Companies Act 1994, BSEC's Notification no.SEC/CMRRCD/2 006-1 58/1 3 4/ 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

The global pickup in activity that started in the second half of 2016 gained further momentum in the first half of 2017. Notable rise in investment, trade and industrial production coupled with enhanced business and consumer confidence are supporting the recovery of world economy. Based on the growth outcomes in the first half of 2017, the International Monetary Fund (IMF) has readjusted the growth forecast of the euro area, Japan, China, emerging Europe and Russia in upward direction and that of the United States, the United Kingdom and India in downward direction in its World Economic Outlook (WEO), October 2017 compared to its April 2017 outlook. In the WEO, October 2017, the global growth has been projected at 3.6 percent for 2017 and at 3.7 percent for 2018, 0.1 percentage point higher compared with the April 2017 WEO forecast.

Growth in advanced economies has been projected to expand



at 2.2 percent in 2017, 0.2 percentage point higher than April 2017 projection. The forecasted growth of the US economy is 2.2 percent for 2017 and 2.3 percent for 2018, which are 0.1 percentage point and 0.2 percentage point lower than the April 2017 WEO forecasts but still moderately above the growth of 1.5 percent in 2016. The projection of continued growth reflects favourable financial conditions and strong business and consumer confidence. In the euro area, recovery is expected to gain strength in 2017, with a projected growth of 2.1 percent in 2017 and 1.9 percent in 2018.

A broad-based cyclical global recovery is underway, aided by a rebound in investment and trade, against the backdrop of benign financing conditions, generally accommodative policies, improved confidence, and the dissipating impact of the earlier commodity price collapse.

Global Outlook

Global growth is expected to be sustained over the next couple of years—and even accelerate somewhat in emerging market and developing economies (EMDEs) thanks to a rebound in commodity exporters. Although near-term growth could surprise on the upside, the global outlook is still subject to substantial downside risks, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions. Particularly worrying are longer-term risks and challenges associated with subdued productivity

Table: Overview of the World Economic Outlook

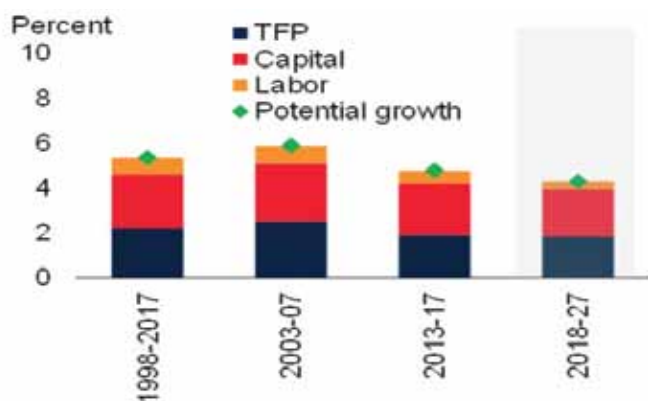
GDP at constant prices	Percentage Change				Difference from October 2017 WEO Projection	
	Actual	Estimate	Projection		2018	2019
			2016	2017		
World	3.2	3.7	3.0	3.9	0.2	0.2
Advanced Economies	1.7	2.3	2.3	2.2	0.3	0.4
USA	1.5	2.3	2.7	2.5	0.4	0.6
Euro Area	1.8	1.4	2.3	2.0	0.5	0.3
Other Advanced Economies	2.3	2.7	2.6	2.6	0.1	0.1
Emerging Market and Developing Economies	4.4	4.7	4.9	5.0	0.0	0.0
China	6.9	6.8	6.6	6.7	0.1	0.1
India	7.1	6.7	7.2	7.3	0.0	0.0

Source: World Economic Outlook Update (January 2018) and October 2017 WEO

and potential growth. With output gaps closing or already closed in many countries, supporting aggregate demand with the use of cyclical policies is becoming less of a priority. Focus should now turn to the structural policies needed to boost potential growth and living standards.

Regional Perspectives

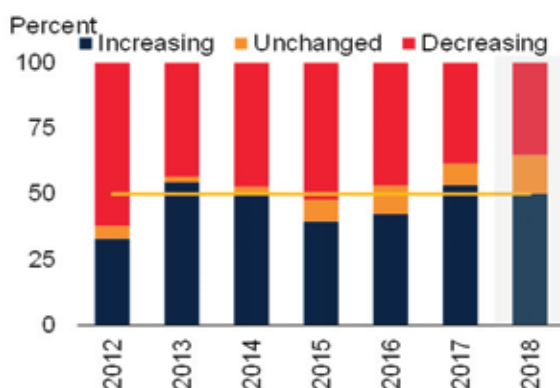
Growth in most EMDE regions with large numbers of commodity exporters recovered in 2017, with the notable exception of the Middle East and North Africa, mainly due to oil production cuts. These regions are generally expected to see faster growth during the forecast horizon, as commodity prices rise and the impact of the earlier terms of trade shock diminishes. The robust pace of expansion in EMDE regions with a substantial number of commodity importers is expected to continue. Risks to the outlook have become more balanced in some regions, but continue to tilt down in all of them.



This edition of *Global Economic Prospects* includes a chapter on the sources of slowing global potential growth and policy options to raise it, as well as two special focus pieces—on the impact of the 2014-16 oil price collapse and the potential implications of improving education for inequality.

Share of countries with increasing/decreasing growth

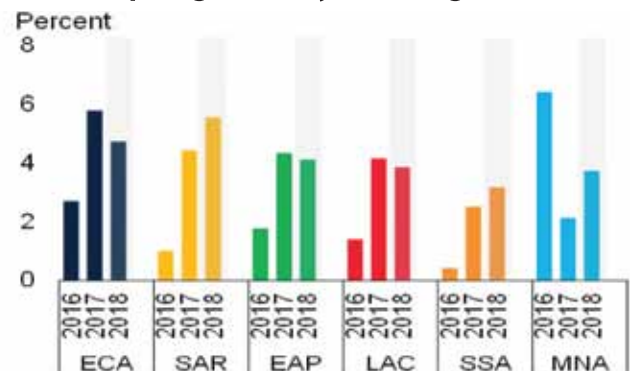
B. Share of countries with increasing/decreasing growth



Building Solid Foundations: How to Promote Potential Growth.

Despite a recent acceleration of global economic activity, potential output growth is flagging. At 2.5 percent, 2013-17 potential growth was 0.5 percentage point below its longer-term average and 0.9 percentage points below its average a decade ago, with an even steeper decline in EMDEs. More than one-half of the deceleration reflects weaker-than-average rates of capital accumulation, but weaker total factor productivity growth and demographic trends have also played a role. These forces are not expected to diminish over the next decade and, unless countered, will depress global and EMDE potential growth further by 0.2 and 0.5 percentage point, respectively, over the next decade. Policy initiatives to lift physical and human capital, encourage labor force participation, and improve institutions could help reverse this trend.

Export growth, by EMDE region



With the Benefit of Hindsight: The Impact of the 2014-16 Oil Price Collapse. The 2014-16 collapse in oil prices was one of the largest in modern history, but failed to provide an expected boost to global growth. The short-term benefits of falling oil prices to global growth were muted by several factors, including the low responsiveness of activity in key oil-importing emerging markets, economic rebalancing in China, and the dampening impact of a sharp contraction in energy investment and a rapid appreciation of the U.S. dollar on growth

Investment growth in commodity-exporting EMDEs, by region

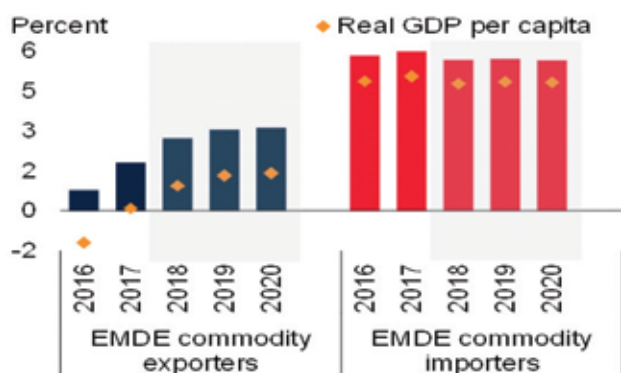


in the United States. Among oil-exporting countries, those with flexible exchange rates, more diversified economies, and larger fiscal buffers fared better than others. Since 2014, many countries have taken advantage of lower prices to reduce energy subsidies, and some have implemented broader structural reforms.

Education Demographics and Global Inequality

An expected shift in the skill composition of the global labor force will have important consequences for the future of global inequality. Specifically, a better-educated labor force from emerging market and developing economies will likely reduce inequality between countries. It could mitigate, especially in EMDEs, the deterioration of within-country inequality that may result from other developments, including increasing urbanization, skill-biased technological change, labor market frictions that cause persistent unemployment, or trade that raises skill premia.

EMDE growth



Economic Growth

As per the data released by BBS, GDP growth for FY 2016-17 has been estimated at 7.28 percent, slightly higher than the growth of 7.11 percent in the preceding fiscal year. Among the broad sectors of GDP, the contribution of agriculture and service sector to GDP slid down by 0.61 percentage point to 14.74 percent and by 0.27 percentage point to 52.85 percent which was offset by an increased share of industry by 0.88 percentage point to 32.42 percent in relation to the preceding year.



During the period broad agriculture sector registered a growth of 2.97 percent, up by 0.18 percentage point compared to the previous year due to the better performance of all of its sectors and sub-sectors. Crop and horticulture grew by 0.96 percent, 0.08 percentage point higher than the previous year. Animal farming and 'forest and related services' sub-sectors also progressed at faster paces than the year before. Fishing sector similarly grew at a rate of 6.23 percent, 0.12 percentage point higher than the previous year.

In FY2016-17, broad industry sector grew by 10.22 percent, slightly lower than the growth of 11.09 percent in the previous year. In broad industry sector, the growth of mining and quarrying sector, manufacturing sector and 'electricity, gas and water supply' sector declined to 8.89 percent, 10.97

percent and 8.46 percent respectively in FY2016-17 from 12.84 percent, 11.69 percent and 13.33 percent in FY2015-16. In contrast, construction sector experienced a growth of 8.77 percent, 0.21 percentage point higher than a year before. Of the manufacturing sector, large and medium-scale manufacturing sector grew at a pace of 11.20 percent compared to the growth of 12.26 percent in the preceding year but small scale manufacturing sector exhibited a growth of

9.82 percent, slightly higher than FY2015-16. Of the 'electricity, gas and water supply' sector water sub-sector registered a faster growth in relation to the previous year.

In FY2016-17 broad service sector grew by 6.69 percent, up by 0.44 percentage point a year earlier. Among the broad service sector, wholesale and retail trade, hotel and restaurants, transport, storage and communication, real estate, renting and business activities performed better than the year before, but some other sectors such as public administration and defense, education exhibited slightly lower pace of progress. Continuing the upward trend per capita GDP of Bangladesh reached US\$1,544 in FY2016-17 from US\$1,385 a year earlier. Likewise, per capita national income increased to US\$1,610 in FY2016-17, US\$145 higher than the previous year as per the final estimates of BBS.

Savings and Investment

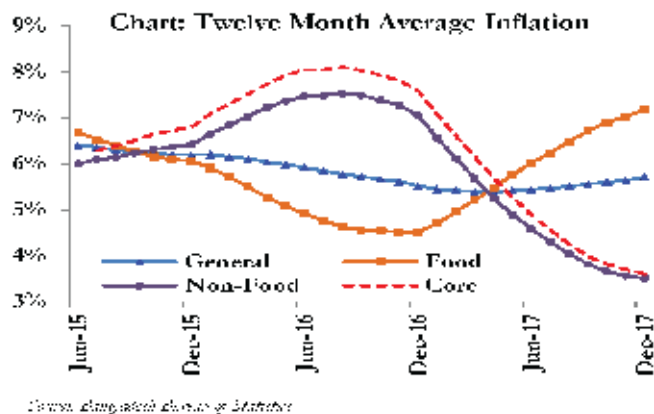
During FY2016-17, domestic savings reached 25.33 percent of GDP, up by 0.35 percentage point from the previous year. During the same period, national savings as percent of GDP slightly declined to 29.64 percent from 30.77 percent mainly due to the downturn of remittances inflow.

On the other hand, investment in FY2016-17 increased to 30.51 percent of GDP, up by 0.86 percentage point from the preceding fiscal year. Of this, the share of private investment stood at 23.10 percent of GDP, slightly higher than the previous year and that of public investment augmented to 7.41 percent of GDP, considerably higher than the previous fiscal year (6.66 percent of GDP).

Inflation

From the beginning of FY2013-14 a downward trend has been observed in year-on-year inflation. Starting from 7.35 percent in FY2013-14 year-on-year inflation declined to 6.41 percent in FY2014-15, 5.92 percent in FY2015-16 and 5.44 percent in

FY2016-17. Satisfactory domestic production, favourable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to such sliding of overall inflation.



Following downward trend food inflation declined from 8.57 percent in FY2013-14 to 6.68 percent in FY2014-15 and 4.90 percent in FY2015-16, but in FY2016-17 shifting the direction it upturned to 6.02 percent. On the other hand, with an upward inclination since FY2013-14 non-food inflation shot up to 5.99 percent in FY2014-15 and 7.47 percent in FY2015-16 from 5.54 percent in FY2013-14, but after that it came down to 4.57 percent in FY2016-17.

Interest Rate

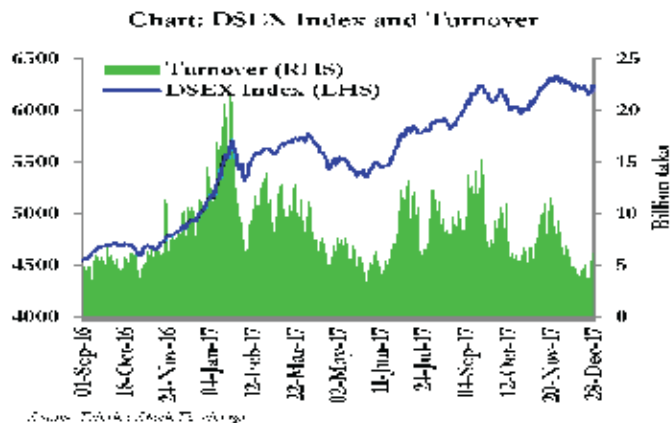
Balancing the upside potentials and the risks the policy stances-repo and reverse repo rates were kept unchanged at 6.75 percent and 4.75 percent respectively in FY2016-17. The rate of Treasury bills (91-days, 182-days and 364-days) decreased approximately by 1.0-1.5 percentage points in June 2017 compared to July 2016. The weighted average interbank call money rate remained within 3.5-4.0 percent indicating adequate liquidity in the banking system.

On the other hand, lower inflation rate, excess liquidity and healthier competition in the banking system exerted a downward pressure on the interest rate of both deposit and lending in FY2016-17. The weighted average lending rate of commercial banks decreased to 10.39 percent at the end of June 2016 from 11.67 percent at the end of June 2015. It further reduced to 9.56 percent at the end of June 2017. Similarly, the weighted average deposit rate was 6.80 percent at the end of June 2015, which reduced to 5.54 percent at the end of June 2016 and it further reduced to 4.84 percent at the end of June 2017. The interest rate spread decreased slightly to 4.72 percent at the end of FY2016-17 from 4.85 percent at the end of the preceding fiscal year.

Capital Market

In FY2016-17 capital market remained almost stable. Although Dhaka Stock Exchange (DSE) Broad Index began the fiscal year with a fall, its growth from October 2016 was noticeable. Total market capitalisation of all listed securities in the DSE was Tk.3,18,574.93 crore (18.38 percent of GDP) in June 2016 which stretched to Tk.3,80,100.10 (19.24 percent of GDP) in June 2017, representing an increase of 19.31 percent. The DSE Broad Index (DSEI) increased by 25.48 percent from 4,507.58 points at the

end of FY2015-16 to 5,656.05 points at the end of FY2016-17.



On the other hand, market capitalization of the Chittagong Stock Exchange (CSE) at the end of FY2016-17 stood at Tk.3,11,324.29 crore, up by 24.68 percent compared to the market capitalization of Tk.2,49,684.89 crore at the end of FY2015-16. CSE All Share Price Index reached 15,580.37 points in June 2017, up by 14.37 percent from June 2016.

External Sector

Export

In FY2015-16, the country's total exports amounted to US\$34,257.18 million, which was 9.77 percent higher than the previous year's export earnings. In FY2016-17, total export earnings moderated at US\$34,846.84 million, up by 1.72 percent from the previous fiscal year. Of the two major export items of the country, knitwear exports registered a modest growth of 3.01 percent with earnings of US\$13,757.25 million whereas exports of woven garments declined by 2.35 percent with export earnings of US\$14,392.59 million. Among the other major export items, export growth of leather and leather products (6.29%), pharmaceuticals (8.60%), chemical products (13.21%), engineering products (35.05%), plastic products (31.40%), handicrafts (44.66%), jute and jute goods (4.66%) was noticeable. On the other hand, export earnings from agricultural products, frozen food and live fish and petroleum by-product decreased by 7.20 percent, 1.74 percent and 17.93 percent respectively in the reporting period.

The USA, as a single country, remained the main destination of Bangladesh's export commodities in FY2016-17 as before. The export earnings from the USA stood at US\$5,846.64 million, which was 16.78 percent of the total exports. The second largest destination of country's export commodities was Germany (15.72%), followed by UK (10.25%) and France (5.43%). The economy of the USA, Germany etc. has been anticipated to improve in the coming years due to a boost in their domestic demands and business and consumers' confidence. As a result, a positive impact on our export performance is quite expected.

Import

Import recorded a growth of 9.00 percent in FY2016-17 against a growth of 5.94 percent in the preceding year. The total value

of import (c&f) provisionally stood at US\$47,005.2 million during the reporting period, up from US\$43,122.5 million (based on the Customs records) of the previous year. In case of commodity-wise imports, while rice import declined by 20.83 percent compared to the previous year, wheat import increased by 26.14 percent. On the other hand, import of consumer goods increased by 26.85 percent and that of intermediate goods grew by 5.62 percent. Among the intermediate goods, the increase in import of clinker by 12.18 percent, crude oil by 23.79 percent, petroleum products by 27.34 percent, chemicals by 6.61 percent, pharmaceuticals by 3.54 percent, plastic and rubber articles by 13.80 percent, raw cotton by 12.65 percent and iron, steel and other base metals by 16.54 percent was noteworthy. During this period, capital goods import increased by 9.46 percent indicating a spur in investment. In the case of capital goods, capital machinery import increased by 7.35 percent and other capital goods (including EPZ) increased by 10.63 percent.

China remained the main source of import for Bangladesh in the concerned period. In FY2016-17, Bangladesh imported US\$13,292 million (28.28% of total imports) worth of commodities from China. The second largest source of import for Bangladesh was India (13.48%), followed by Singapore (4.50%) and Japan (4.32%).

Overseas Employment and Remittances

Remittances inflow dipped to US\$12,769.5 million in FY2016-17 from the previous year's inflow of US\$14,931.1 million with a deceleration rate of 14.48 percent. The slowdown of the economy of the Middle East countries emanating from low oil prices and geo-political situation was mainly responsible for the deceleration of remittances inflow. Moreover, appreciation of USD against British Pound Sterling and Euro contributed to such reduction of remittances inflows.

The Government of Bangladesh has taken massive initiatives to explore new labour markets abroad and boost overseas employment. In this regard, the Government has taken steps to conduct feasibility studies in 50 countries including European countries, Australia and Brazil. Besides, the Government is up-taking various activities including implementing projects in order to expedite remittance disbursement, encourage remittance through proper channel and ensure dignified employment for the overseas workers. However, the overseas employment increased considerably in recent times. In FY2016-17, manpower export stood at 9.05 lakh, up by 32.12 percent from the previous year. Therefore, in the coming years remittances inflow is expected to be boosted.

Balance of Payments (BoP)

The trade deficit in FY2016-17 has been provisionally estimated at US\$9,472 million whereas in FY2015-16 it was US\$6,460 million. Elevated import growth and slow export growth mainly contributed to the widening of trade deficit in FY2016-17.

During this period, the net receipt and net payment in the service account amounted to US\$3,621 million and US\$6,905 million respectively and that of primary income account were US\$82 million and US\$2,089 million respectively. Among the

sources of primary income, US\$1,506.6 million, US\$965.9 million and US\$580.9 million income from investment, Foreign Direct Investment (FDI) and reinvestment respectively and US\$391.0 million interest payment against foreign loan were significant.

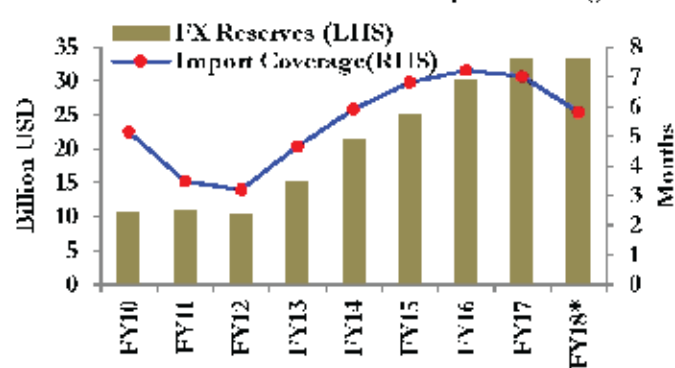
Due to the tumbling growth in remittances inflow the surplus in the secondary income account declined to US\$13,283 million from US\$15,345 million over the concerned period. As a result, the current account encountered a deficit of US\$1,480 million in FY2016-17 from a surplus of US\$4,262 million in FY2015-16.

On the other hand, the capital and financial accounts recorded a surplus of US\$4,493 million in FY2016-17 from US\$1,408 million in FY2015-16. During this period, Gross FDI registered an uplift of 19.30 percent from US\$2,502 million to US\$2,985 million. Besides, a positive balance of US\$3,174 million in the Medium and Long-term Loans (MLT) account aided the surplus in the capital and financial accounts to upsurge. Despite the deficit in the current account, the surpluses in the capital and financial account left the overall balance in surplus amounting to US\$3,169 million.

Foreign Exchange Reserve

Due to the surpluses in overall balance of BoP foreign exchange reserve registered an increase in FY2016-17. On 30 June 2016 foreign exchange reserves stood at US\$30,176 million which increased to US\$33,407 million at the end of FY2016-17, providing import coverage of 8.53 months

Chart: Forex Reserve and Import Coverage



*FX Reserve is up to 26th December, 2017

Exchange Rate

Exchange rate of Taka against US dollar remained almost stable from FY2012-13. Further, in FY2013-14 and FY2014-15, the average exchange rate of Taka against US dollar appreciated by 2.76 percent and 0.06 percent respectively. However, in the following financial year the value of Taka depreciated by 0.72 percent against US dollar. This trend continued in FY2016-17. In FY2016-17 the weighted average interbank exchange rate stood at Taka 79.13 per US dollar while it was Taka 78.26 per US dollar in FY2015-16 showing a depreciation of about 1.10 percent. Over the same period, Taka appreciated against Euro

by 0.72 percent and UK Pound Sterling by 13.57 percent but depreciated by 0.92 percent against Indian Rupees. Moreover, based on 15 currencies basket, the Real Effective Exchange Rate (REER) index appreciated by 1.87 percent from 105.53 to 107.5 in FY2016-17.

Money, Banking and Financial Sector Reforms

With the newly introduced liquidity indicators namely 'Liquidity Coverage Ratio (LCR)' and 'Net Stable Funding Ratio (NSFR)', which were hosted in light of Basel-III, the liquidity status of the banks is being monitored regularly.

To make banking risk management system more resilient and updated, a new reporting format namely 'Comprehensive Risk Management Reporting (CRMR)' has been introduced, in the light of which the risk management system of the banks is being monitored. Besides, in conformity with the changes in the banking system the 'Risk Management Guidelines for Banks' is being reviewed.

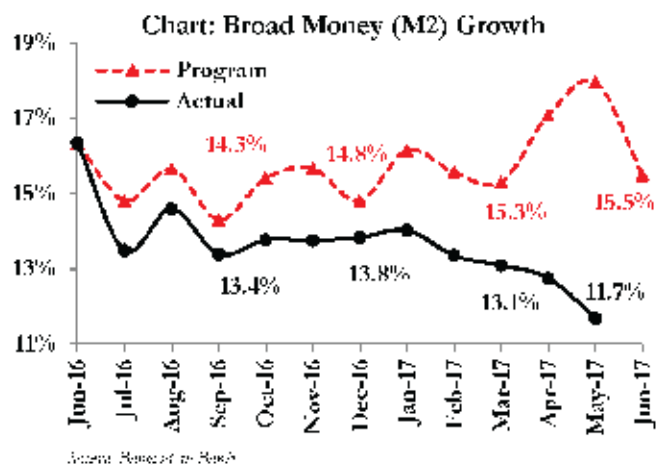
As part of strengthening the internal audit system in Bangladesh regular monitoring of fraud/forgery in the light of Self- Assessment of Antifraud Internal Control is being carried out. Reviewing of it is at final stage.

Due to the changes in the legal framework and international standards, Bangladesh Financial Intelligence Unit (BFIU) updated Uniform Account Opening Form for all scheduled banks which was circulated on 16 January 2017. The revised form includes a format for Know Your Customer (KYC), transaction profile, customer's risk grading and account opening information. Besides, BFIU has drafted Uniform Account Opening Form for all insurance companies which is going to be circulated within a short span of time.

Banking Sector Outlook 2017

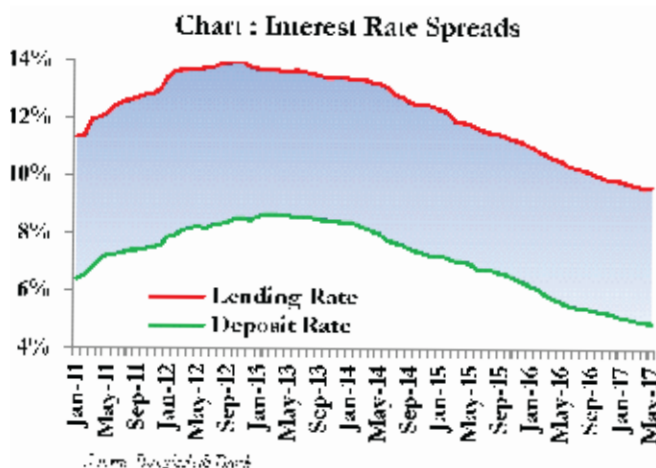
Available data indicate key monetary aggregates moving largely within growth ceilings programmed in BB's FY17 (July '16-June '17) monetary program, with May 2017 broad money (M2), domestic credit, and credit to private sector growing by 11.7, 11.3, and 16.0 percent against their FY17 ceilings respectively of 15.5, 16.4, and 16.5 percent. Surge in net sale of National Savings Certificates (NSCs) drove public sector bank borrowing to negative (-16.2 percent by May '17) causing domestic credit to remain well below its FY17 program ceiling. GDP growth outperformed at 7.24 percent and average inflation edged down to 5.44 percent, below the FY17 ceiling of 5.8 percent.

Looking ahead, output growth momentum remains robust, but low FY17 export growth (1.7 percent) and workers' remittance inflow downturn (-14.5 percent) pose risks to external and domestic demand-led growth outlook for FY18. Also, food price uptrend caused by the Q4 FY17 flash flood in



the haor regions pose some risk for inflation outlook. Some mitigation of the domestic inflation risks can be expected from subdued global inflation upheld by the onset of monetary tightening in the US and the EU, coupled with low inflation prevailing in neighboring India. BB's FY18 monetary program seeks to set a prudent, flexible course towards containing 12-month average CPI inflation within targeted 5.5 percent ceiling while also supporting attainment of the 7.4 percent real GDP growth targeted by the government. Deferral of new VAT law implementation is unlikely to pose any major concern for FY18 monetary policies if the strong FY17 revenue growth momentum (19 percent, well above the nominal GDP growth rate) continues, with the government already announcing intent of an early revision of expenditure allocations in FY18 budget.

Accordingly, BB's FY18 monetary program sets Domestic Credit (DC) growth ceiling at 15.8 percent, a level consistent with the growth and inflation objectives, accommodating ample (16.3 percent) growth of credit to private sector and a lower (12.1 percent) growth for credit to public sector because of the latter's large access to non-bank (NSCs) borrowing. The FY18 monetary program sets 13.9 percent growth ceiling for M2, and a 12.0



percent annual average growth ceiling for Reserve Money (RM). An annual average rather than point-to-point target for RM is being adopted for the first time, for better adherence to the chosen monetary stance. With external sector (export and remittance) slowdown limiting monetary expansion through a lower (5.5 percent) NFA growth projection, Reverse Repo, Repo policy interest rates will be kept unchanged for the time being, but BB will remain in readiness for policy rate adjustment if and when needed.

In support of the government's inclusive and environmentally sustainable output and employment growth objectives, monetary policies in H1 FY18 will continue policy supports for financing of farm/non-farm MSME output initiatives, with realigned greater emphasis on the employment-focused manufacturing and service sub-sectors, and for 'green' projects of adopting environmentally benign output practices. Other recent BB initiatives include FDI facilitation through dedicated help- desks/support units in banks.

Multifaceted efforts underway for gradual transition of BB's current monetary targeting-based policy framework towards a financial price targeting-based one will continue in FY18, prioritizing buildup of stronger forecasting capabilities in BB and removing impediments to market-based financial pricing, including high NPLs from lax lending discipline, and non-market pricing of government's non-bank NSCs borrowings.

Banking Sector Projection 2018

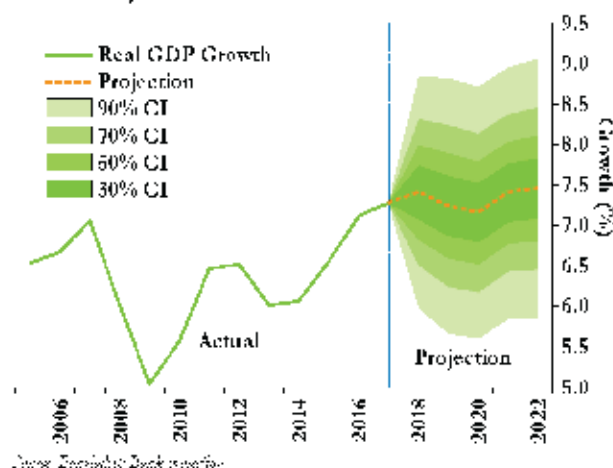
Sharp above-trend upturns in imports and in credit to private sector appear to indicate a much-awaited robust pickup in investment and output activities, supported by progress in addressing infrastructural deficiencies, robust domestic demand, and a broad-based pickup in global output and trade growth. Besides increased food grains imports due to flood-related crop losses and depletion of public food grain buffer stocks, import increases mainly comprise capital machinery and production inputs. These bode well for growth going forward, but also poses near-term challenges of containing monetary growth-driven inflationary pressures and of protecting external sector balance of payments (BOP) sustainability.

Excess liquidity from FY17 largely met the monetary demand from increased economic activity, keeping domestic credit (DC) growth at 14.5 percent, in line with the 14.5 percent H1 FY18 program target, even with private sector credit growth (18.1 percent) substantially overshooting the 16.2 percent H1 FY18 program target.

Moderation of the transient external imbalance from credit-fueled high import growth to a sustainable trend will accordingly be a key priority for monetary and macro-prudential policies in H2 FY18, besides keeping in check the inflationary risks from rising global commodity prices and any spillovers from food

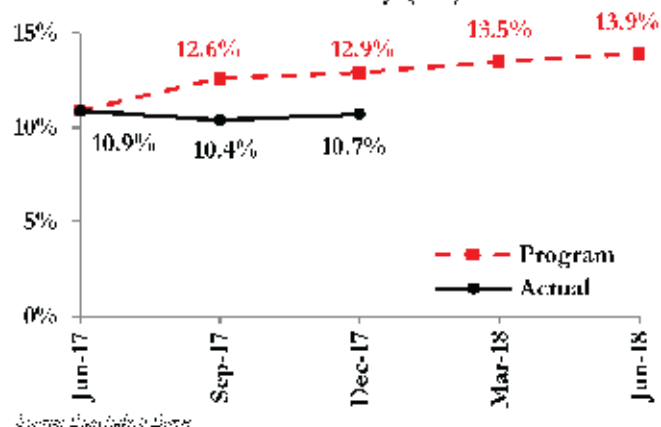
to non-food inflation from any undue exuberance in domestic credit expansion. The H2 FY18 monetary program and its attendant macro-prudential measures will seek to address this priority mainly by intensive, intrusive supervision focusing on quality and sectoral composition of credit flows rather than by any blanket curb restricting access to credit for productive pursuits.

Chart: Projection of GDP Growth for FY2018-FY2022



Given the global and domestic inflation outlook, H2 FY18 monetary program retains domestic credit growth ceiling unchanged at 15.8 percent, adequate to accommodate the targeted 7.4 real GDP growth with up to 6.0 percent annual average inflation. Continued negative trend of government's bank borrowing is projected to leave room for higher 16.8 percent FY18 private sector credit growth, against previous projection of 16.3 percent. Reserve money (RM) growth and its attendant inflationary impact will remain moderate in H2 FY18, aided by the government's likely negative or small bank borrowing; expected near-zero net foreign assets (NFA) growth due to high import payment outflows will result in moderation in broad money (M2) growth to 13.3 percent, against the earlier projection of 13.9 percent.

Chart: Broad Money (M2) Growth



Repo and reverse repo policy interest rates will for the time being be left unchanged at 6.75 and 4.75 percent, respectively. Macro-prudential steps to curb imprudent unproductive lending include: (a) intensive surveillance on adherence to prescribed Asset-Liability Management (ALM) and Forex Risk Management guidelines; a new directive requiring banks to rationalize their Advance/Deposit Ratios to curb their over-exuberance in lending; increased surveillance on the end use of bank loans including import finance; (b) encouraging banks to avoid unduly high medium- or long-term investment financing exposures to corporate borrowers, helping instead corporate bond issuance in the capital markets, using banks only as interim bridge financing windows; (c) Taka's market pressure-driven depreciation against USD, coupled with depreciation of USD itself against other major currencies is helping restore external balance by enhancing export competitiveness and workers' remittance inflows. Preventive and punitive steps against the abuse of mobile phone accounts in illegal hundi operations are also shoring up banking channel remittance inflows.

Furthermore, steps are on towards getting banks more proactively engaged in mobilizing foreign savings of Non-resident Bangladeshis (NRBs) by promoting sales of government's Wage Earners' Development Bonds, and also in attracting NRB portfolio investments in Bangladesh capital markets by opening and managing Nonresident Investment Taka Accounts (NITAs) in their names. Besides augmenting inflows into the forex market, these will also help increase equivalent Taka liquidity in the financial and capital markets. Work underway on further simplifying banking channel transaction procedures relating to exports of goods and services through internet-based e-commerce platforms will also help further in augmenting forex inflows.

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.

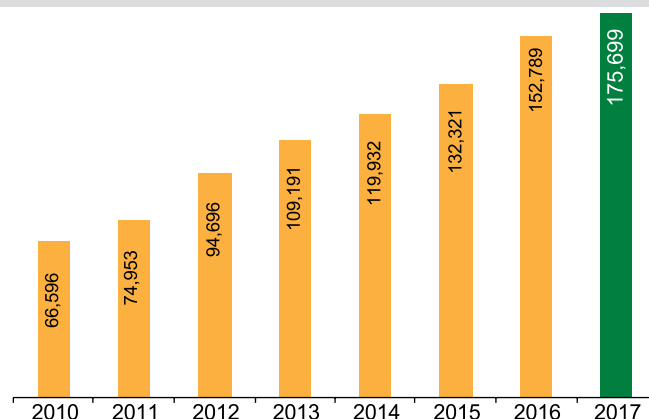
Financial Result of the Bank

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

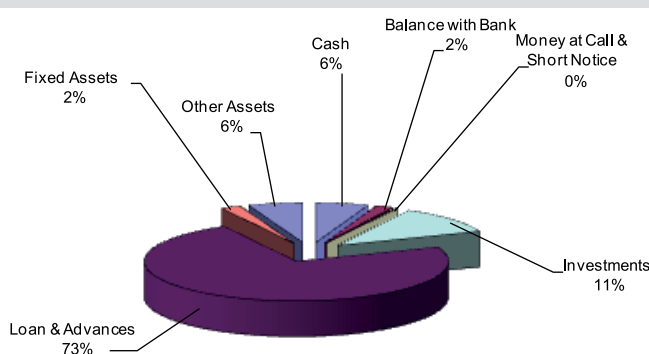
As on 31st December 2017 total asset of the Bank stood at Tk.

Total Assets (Million Taka)



175,699 million with a positive growth of 15% (Fifteen percent) in comparison with corresponding previous year of 2016. The

Assets Mix - 2017



increase in Asset was mainly driven by significant growth of customers' deposits which were used for funding in loans & advances and holding of securities. The increase in asset is determined by loans and advances.

Cash in Hand

Cash in hand stood at Tk. 1,209 million in 2017 as against Tk. 965 million of the previous year i.e. 25% 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 2017, Balances with Bangladesh Bank and its agents increased by more than 14% (fourteen percent) amounted to Tk. 8,548 million.

Balance With Other Banks/ Financial Institutions

During the year 2017 balances maintained with other banks and financial institutions stood at Tk. 3,220 million as against Tk. 1,233 million of the previous year which is increased by 161% from previous year.

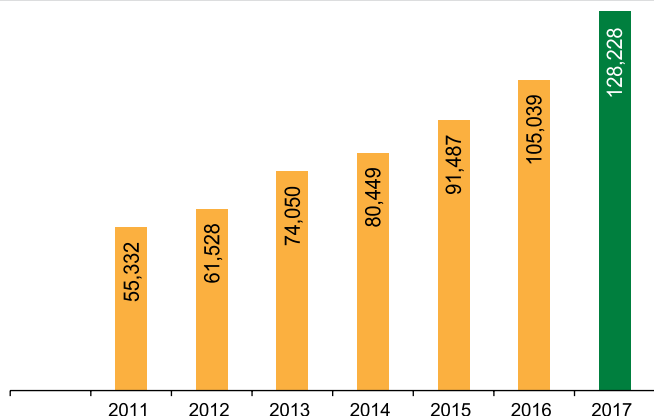
Investments

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. 20,234 million in 2017 as compared to Tk. 25,533 million of the previous year.

Loans and Advances

Total Loans and Advances of the Bank has increased to BDT 128,228 million as on December 31, 2017 in comparison to

Loan & Advances (Million Taka)



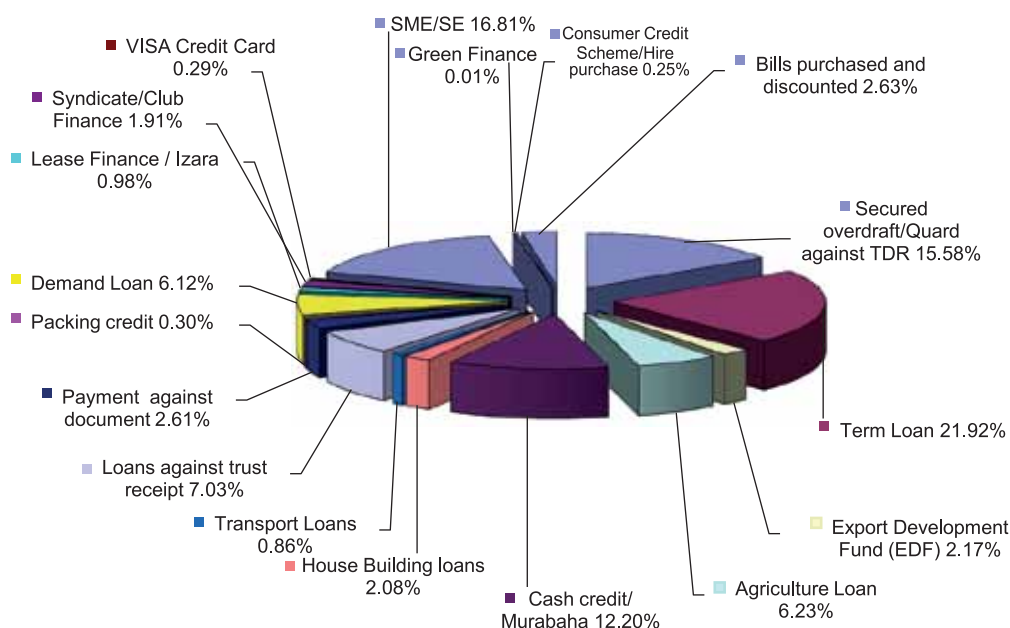
BDT 105,039 million as on December 31, 2016, which indicates an increase of 22% over the last year. Despite of volatile capital

market, global recession declining trend of private sector credit growth, the Bank has successfully retained the progressive trend of credit portfolio of the Bank ensuring sustainable profitability to meet accountability towards the customers as well as the stakeholders.

Credit is the single largest component of the total assets of the Bank. Furthermore, during the year the Bank has put enormous emphasis to Credit Risk management since it is the main tool to ensure proper Credit Management. Quality of Credit can only be retained if prudent Credit Risk Management procedure is effective and efficiently followed. That's why, the Bank has established CRM to analyze Credit Risks in different sectors like Telecommunication, Power Generation, Pharmaceuticals, Steel re-rolling, RMG, Textile, Ceramics, etc. and to determine the necessary strategies and policies while extending credit facilities in those sectors. Compliant as per the guidelines of Bangladesh Bank in Credit Management System and to retain its continuance; the initiative has been taken to revise the existing Credit Policy. Credit Monitoring and Recovery Department has been strengthening to ensure regular monitoring of the existing credit facilities. Concentration of credit in a single sector or group has been strongly discouraged and alternatively financing in Small & Medium Enterprise (SME), Women Entrepreneur and Agricultural Sector are given more emphasis towards contributing in GDP as well as in poverty alleviation program.

Besides, to contribute in national economy, the Bank has extended its participation in Syndicated Financing in different prospective Greenfield and BMRE projects in the sectors like power generation, telecommunication, pharmaceuticals, textiles, manufacturing industries, etc.

Loan Portfolio Mix- 2017



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 reasonable level.

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

Corporate Finance

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

Syndicated Finance

Syndicated loans allow arranging funds for large projects spreading the risk amongst the partner Banks. Clients also enjoy the benefits of having access to larger pool of funds from multiple financial institutions but have to deal with one Agent Bank and one set of documentation. The projects in which the Bank participated in syndication financing in different prospective Green field & BMRE projects in the sectors like Power Generation, Telecommunication, Pharmaceuticals, Textiles, Manufacturing industries etc.

Non Performing Loan Management

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

loans of the Bank stood at Tk.9,365 million at the end of 2017 compared to Tk. 3,799 million in 2016.

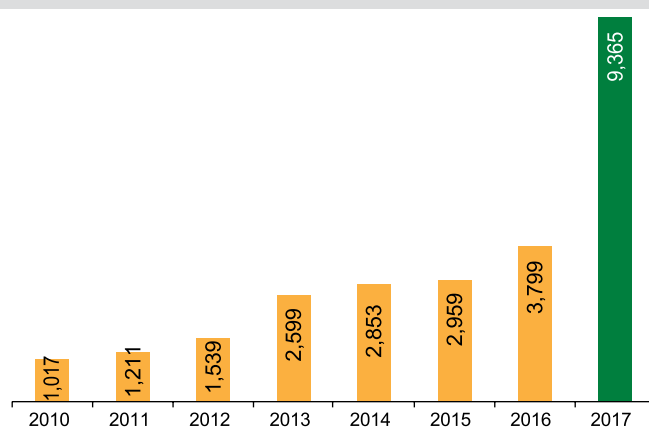
Liabilities and Shareholders' Equity

Total liabilities of the Bank stood at Tk. 1,75,699 million as of 31 December 2017 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

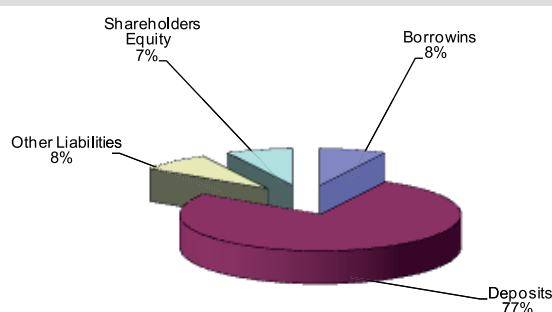
The function of the Treasury Division is borrowing and

Non performing Assets (Million Taka)



lending fund from money market. Borrowing from other Banks, financial institutions and agent including overnight borrowing stood at Tk. 13,425 million at the end of 2017 compared to Tk. 5,284 million of 2016. The Bank's borrowing also includes borrowing against refinance from Bangladesh Bank for financing under SME scheme and financing against SME (women entrepreneurs).

Assets Funding Mix-2017

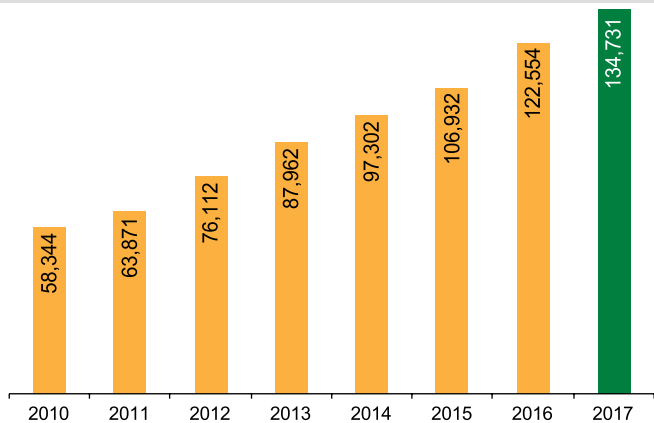


Deposit

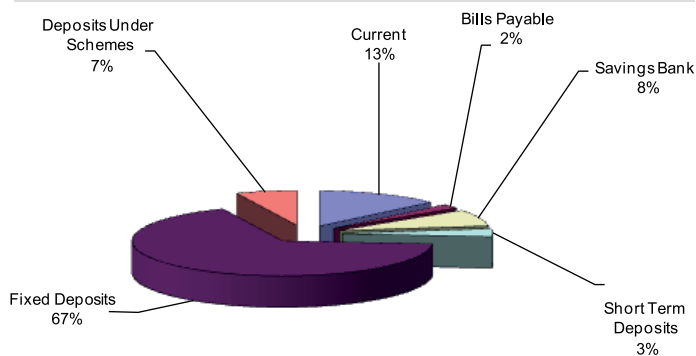
Deposit is the principal source of fund invested to generate revenue in banking business. SBL always tried to give the highest return on the deposit from the customers The Bank's deposit stood at Tk. 1,34,731 million as on 31 December, 2017 compared to Tk. 1,22,554 million in 2016, thus recording 10%

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 of deposit products for the customers. Among the products, Fixed Deposits, Scheme Deposits of different types, savings deposits, short-term deposits remained the core deposits of the Bank. SBL Regular Income program (SRIP), Double Income Plus (DI+), SBL Regular Deposit Program (SRDP), Life Secured Double Income Program (LSDIP) etc. are some attractive products, which contributed to the grow the of deposit.

Deposit (Million Taka)



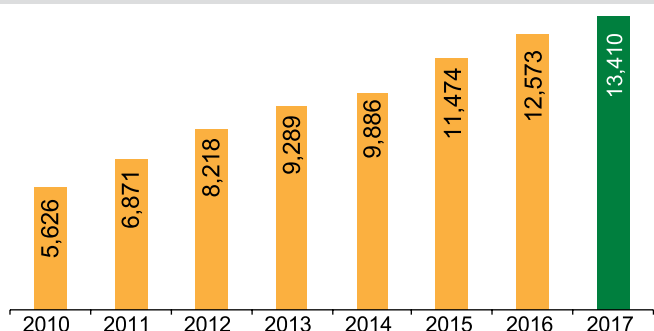
Deposit Portfolio Mix - 2017



Share Capital

The Authorized Capital of the Bank was Tk. 15,000 million as on

Shareholders Equity (Million Taka)



31.12.2017. The paid up capital of the Bank has been increased to Tk. 7,918 million from Tk. 7,541 million due to declaration of 5% (five percent) stock dividend for the year 2016. The total equity of shareholders of the Bank at the end of the year 2017 stood at Tk. 13,410 million and in 2016 was at Tk. 12,573 million.

Statutory and Other Reserve

The Statutory and Other Reserve increased to Tk. 4,595 million during the year by registering 10% (ten percent) increase over Tk. 4,175 million of the last year.

Other Liabilities

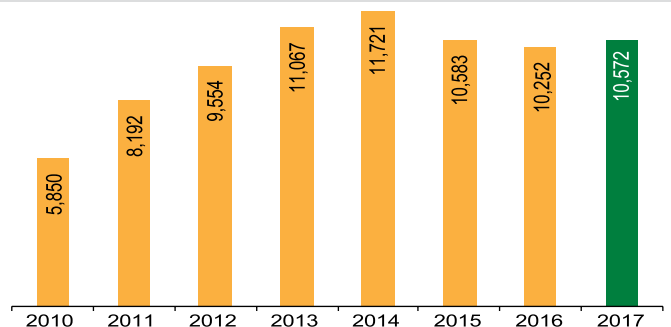
During the year 2017, other liabilities of the Bank increased to Tk. 14,134 million from Tk. 12,379 million of 2016.

Income

Interest Income

During the year 2017 interest income of the Bank was Tk. 10,572 million as against Tk. 10,252 million of the previous year thus growth of 3% percent due to lower interest spread. The income generated mainly from loans and advances, which remained the principal contributor.

Interest Income (Million Taka)



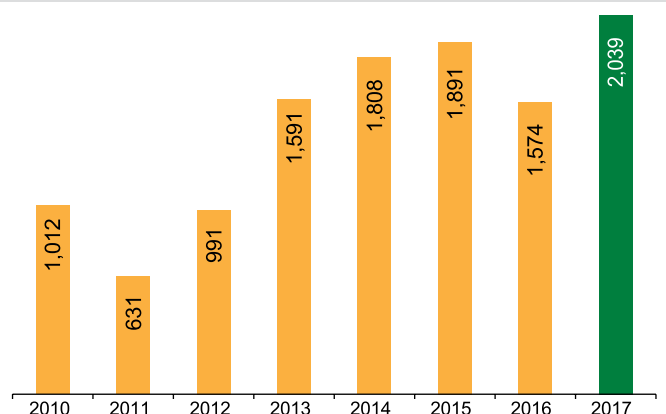
Net Interest Income

The net interest income of the Bank for the year under review stood at Tk. 2,998 million as against Tk. 3,276 million for the previous year.

Investment Income

The Bank's investment income during the year 2017 was

Investment Income (Million Taka)

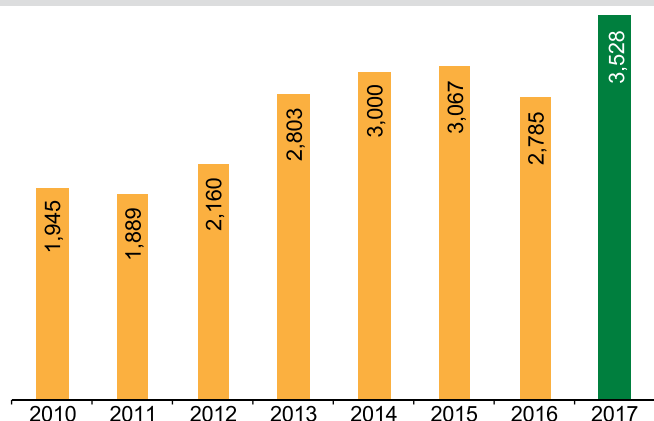


mostly in long term Govt. Securities which stood at Tk. 2,039 million as against Tk. 1,574 million in 2016. The Government Treasury Bonds have been purchased to cover the increased SLR arising from the growing of deposit liabilities.

Commission, Exchange & Brokerage Income

In the year under review, commission, exchange and Brokerage earnings were Tk. 1,147 million which was Tk. 914 million in 2016.

Non Interest Income (Million Taka)



Expenses

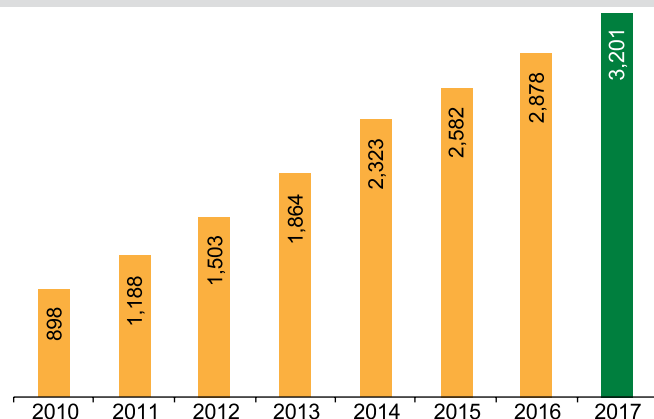
Interest Expenses

Interest expenses moved up from Tk. 6,976 million in 2016 to Tk. 7,575 million in 2017 posting a increase of 9% (nine percent). The interest expenses of the Bank were increased due to high cost of Deposits.

Operating Expense

In the year 2017, total operating expenses stood at Tk. 3,201 million as against Tk. 2,878 million of the previous year.

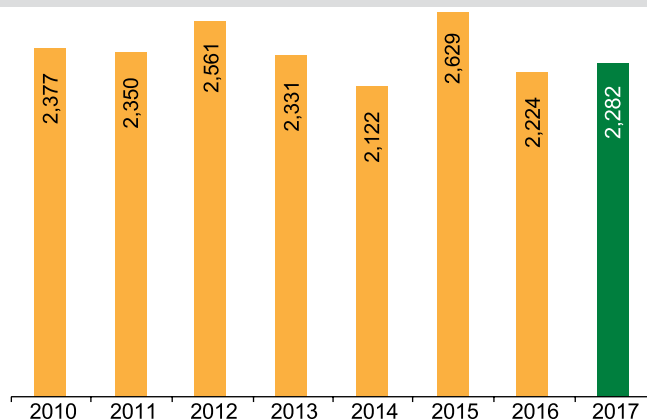
Operating Expense (Million Taka)



Profit before Tax

Net profit before tax of the Bank stood at Tk. 2,282 million as against Tk. 2,224 million of the previous year.

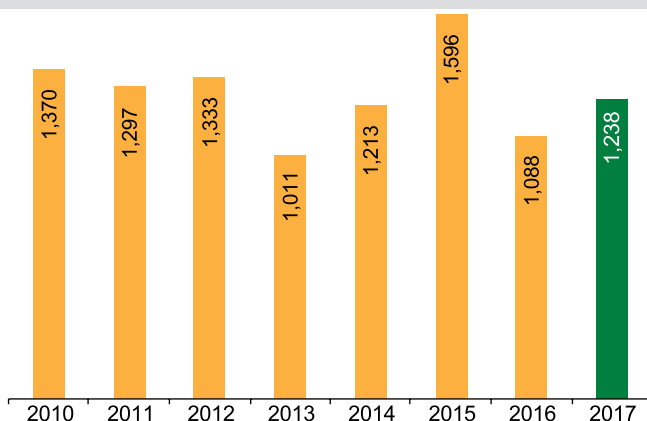
Profit Before Tax (Million Taka)



Net Profit after Tax

Net profit after tax of the Bank stood at Tk. 1,238 million in 2017 as against Tk. 1,088 million of the previous year, thus positive growth of approximately 14%.

Profit After Tax (Million Taka)

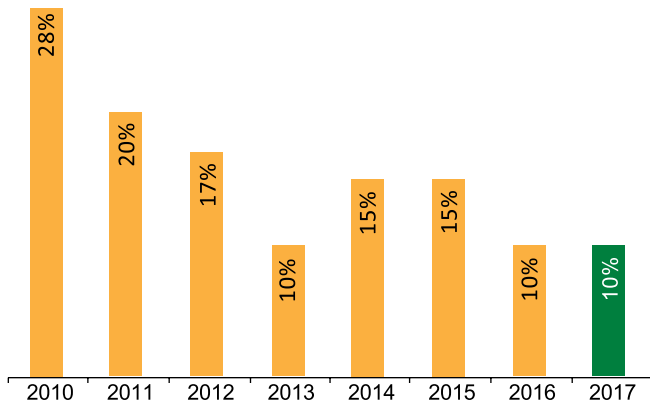
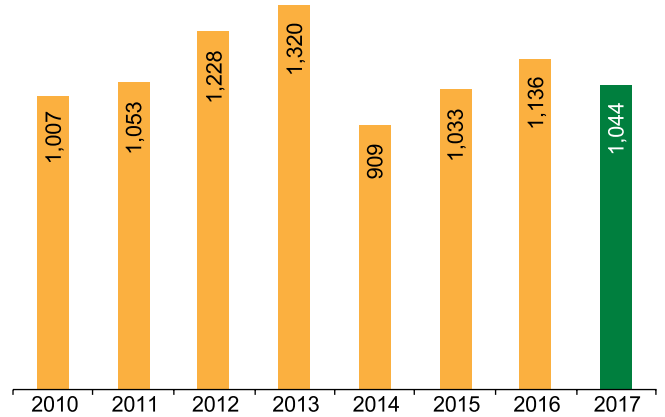


Operational Success And Appropriation Of Profit

The operating profit of the Bank during the year 2017 was Tk. 3,325 million as against Tk. 3,223 million in 2016. The Bank was able to earn gross income of Tk. 14,101 million during the year 2017 whereas the gross expenses were Tk. 10,776 million.

Dividend

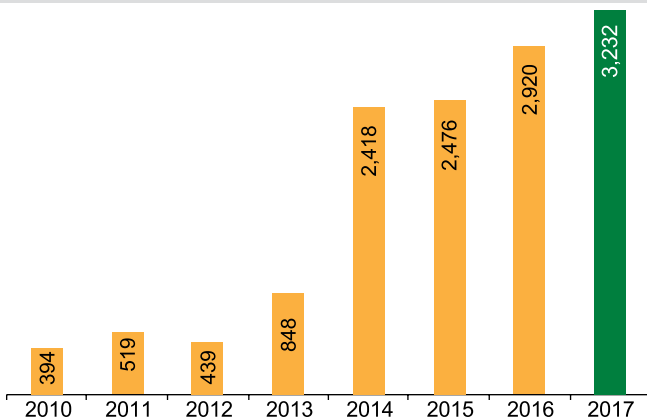
The Board of Directors of the Bank in its 291st Board meeting held on 04.04.2018 has recommended 10% Stock dividend for the year 2017 of Tk. 791,806,997 by keeping Tk. 102,475,049 and Tk. 419,878,162 as retained earnings /

Dividend (Percentage)**Provision for Tax (Million Taka)**

surplus profit and Statutory Reserve respectively subject to approval from shareholders at 19th AGM of the Bank in order to maintain satisfactory capital base of the Bank.

Provision for Loans & Advances

Formakingprovisionagainstclassifiedandunclassifiedadvances as per revised directives of Bangladesh Bank by December 2017, the Bank made provision for Tk. 970 million during the year under report. The total provision maintained for loans and advances and Off Balance Sheet Exposures stood at Tk. 3,232

Provision for Loan & Advances (Million Taka)

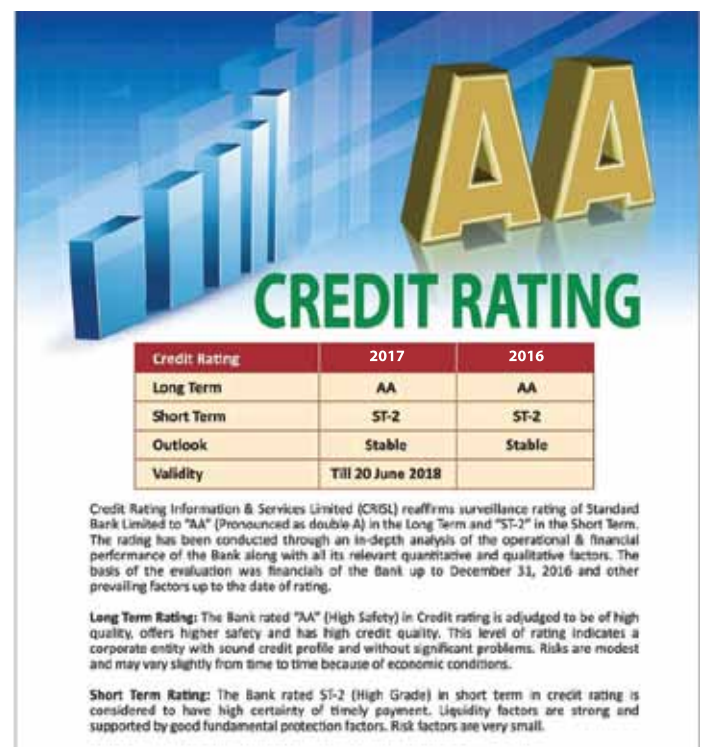
million as compared to previous year for Tk. 2,920 million..

Provision for Tax

Provision for tax for the year 2017 is Tk. 1,044 million compared to Tk. 1,136 million of previous year. According to Bangladesh Accounting Standards (BAS) 12, Current Tax of the Bank has been calculated.

Credit Rating of the Bank

Surveillance rating of Standard Bank Limited was rated as on AA on the information of 31.12.2016 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.



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	2,982,554,054	(15,978,170)	36,100,456	-	218,618	3,002,894,958
Total Operating Income	5,776,603,461	172,512,901	122,495,333	11,689,454	105,209,429	6,188,510,579
Total Non Operating Income	338,332,707	1,365,700	240,997	1,317,427	1,111,611	342,368,442
Total Operating Expenses	3,045,466,108	15,293,022	18,876,353	16,195,709	104,720,800	3,200,551,992
Profit before Provision	3,069,470,061	158,585,579	103,859,977	(3,188,828)	1,600,240	3,330,327,029
Total Provision against assets	970,079,252	66,363,985	6,265,993	-		1,042,709,230
Profit before Tax (PBT)	2,099,390,808	92,221,594	97,593,984	(3,188,828)	1,600,240	2,287,617,798
Provision for Taxation	974,354,893	44,887,937	24,552,244	-		1,043,795,074
Profit After Tax (PAT)	1,125,035,916	47,333,657	73,041,740	(3,188,828)	1,600,240	1,243,822,725
Segment Assets	174,135,102,151	1,059,273,860	682,457,001	23,248,259	73,714,759	175,973,796,030
Segment Liabilities	174,135,102,151	1,059,273,860	682,457,001	23,248,259	73,714,759	175,973,796,030

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, Terrorist Financing and Financing in Proliferation of Weapons of Mass Destruction are globally discussed & burning issues at this moment. Money launderers and terrorist financiers exploit loopholes and move their funds to or through jurisdictions with weak or ineffective legal and institutional frameworks. Bangladesh is now in vulnerable condition like other parts of the world for Money Laundering, Terrorist Financing and Financing in Proliferation of Weapons of Mass Destruction.

Money laundering and Terrorist Financing has devastating the economic potential, social security, political stability and cultural integrity. Money laundering diminishes government tax revenue and thereby indirectly harms honest taxpayers. This also makes government tax collection much more difficult because the loss of revenue means higher tax rates, and corruption-inflated higher costs of public works. Money laundering distorts assets and commodity prices and leads to misallocation of resources. This creates an unstable liability base and unsound asset structures for financial institutions, creating risks of monetary instability and even systemic crisis. This crisis further leads to loss of credibility and investors' confidence and the potential of destabilizing financial systems, particularly in emerging economies.

As a nation we cannot afford to have our country's image tarnished because of money laundering and terrorist financing issues, especially in today's global economy. So, we have to be vigilant and guard the integrity of our financial system for financial and social stability. Failure to effectively combat these dark forces will have adverse impact on us, like our international ratings will go down, and we will lose competitive advantages: cost of foreign trade will be higher, foreign loans will fall and

most importantly, the country's image will suffer. And we cannot afford to have that when we are moving forward to achieve the middle-income country status by 2021.

In line with international efforts, Bangladesh has taken a number of initiatives to prevent money laundering and combat terrorist financing and proliferation of weapons of mass destruction. The most delighting issue is that, Bangladesh's banking sector has come of age and when it comes to adopting international best practices this sector has always been pioneer. For this reason Bangladesh has also secured the fourth position among the 10 fastest developing countries in prevention of money laundering & combating terrorist financing index. The important thing is now to identify and assess the existing, emerging and future ML, TF & PF risks and look closely into the vulnerabilities within the current banking practices and procedures. It is high time for banks to prioritize unity against money laundering and terrorist financing activities to protect the integrity and stability of Bangladesh's financial system.

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

Uniform Account Opening Form is in printing process. 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. 19 dated 17.09.2017 of BFIU.

The present "Money Laundering & Terrorist Financing Risk Management Guidelines, September-2015 is now under review & updating process. "Standard Bank Ltd, Customer Acceptance Policy-2016" has been issued on October, 2016 & it is now under review & updating process also.

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.

Correct & complete Cash Transaction Reports (CTR) has been submitted to BFIU, Bangladesh Bank on a regular basis using goAML Software provided by BFIU. In the year-2017, around 80,000 transaction occurred amounting Tk.10.00 Lac & above in cash mode in different branches of the SBL and have been reported to BFIU, Bangladesh Bank.

SBL generates Money Laundering Monitoring Report from its Core Banking Software (CBS) to find out structuring in transactions as well as to detect Suspicious Transaction.

SBL also detected Suspicious Transaction manually. In the year-2017 AML Division detected 12 (Twelve) STRs & SARs from 10 separate branches and reported to BFIU, Bangladesh Bank. AML Division made a summarized report on Self Assessment after extracting the Self assessment Report received from branches on Half Yearly basis and submit it BFIU, Bangladesh Bank after getting approval from Top Management/Board of Directors 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.

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

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

Preservation of KYC of Walk-in/One-off and Online Customers are mandatory for banks as per instruction of BFIU, Bangladesh Bank. To bring the Walk-in/One-off and Online customers under due diligences, AML Division has issued circulars and circulated it to all branches about making a seal drawing a format of KYC to draw the seal on the back of the Cheque/Deposit slip of Walk-in/One-off and Online customers to preserve the KYC of those customers.

Apart from this, to build up awareness among the employees of SBL, AML Division of the Bank has conducted 22 (twenty two) AML Awareness Meeting in separate 22 Branches from 8.45 am to 9.45 am and also arranged Telephonic Conference with 15 remote branch officials from 5.00 pm to 6.00 pm.

AML Division conducts AML training/workshop on a periodic basis with the collaboration of Standard Bank Training Institute to enrich AML & CFT knowledge of its employees. 626 Officials of the bank took part in 10 (ten) AML workshops in the year-2017.

AML Division conducts AML training/workshop on Trade Based Money Laundering with the collaboration of Standard Bank Training Institute to enrich the Trade Based

Money Laundering knowledge of its 119 employees of different Authorized Dealer Branches through 02 (two) workshops in the year-2017.

AML Division has conducted a Lead Bank Training Workshop on AML/CFT on 26.08.2017 at Faridpur with the collaboration of BFIU, Bangladesh Bank to enrich AML & CFT knowledge of employees of SBL as well as other Banks working at Faridpur District, wherein 37 officials of different banks including 22 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.

AML Division has arranged SBL BAMLCO conference on 23.09.2017 with its 114 Compliance Officer of 114 Branches along with ML, TF & PF compliance officials of Agent Banking, Card Division, ADC, SBL Securities & SBL Capital Management of Head Office. Mr. Abu Hena Mohammad Razee Hassan, Deputy Governor & Head of BFIU, Bangladesh Bank was present as Chief Guest in the conference. Mr. Debaprasad Debnarh, Former General Manager & operational Head of BFIU, Bangladesh Bank was also present as special guest. Mr. Mamun-Ur-Rashid, the Managing director & CEO of SBL presided over the occasion.

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.

If we devote our sincere effort to identify and assess the existing, emerging & future ML, TF & PF risks and look closely into the vulnerabilities within the current banking practices and procedures, we will be in secured position.

Central Customer Services & Complaint Management Cell

Service excellence & innovation is the key factors to be the market leader in modern banking industry. Inspired by the slogan "Together We Build", the Standard Bank Family is working with highest dedication to provide excellent and innovative services to its valued clients. With a nationwide network of 122 branches, 18 Agent Banking Outlets & 67 ATMs Standard Bank Limited is providing services to achieve its goals.

With a view to strengthening the corporate governance structure of Standard Bank Limited and also to improve the quality of customer services of the Bank as per instruction of FICSD, Bangladesh Bank, Complaint Cell of SBL has been reconstituted as Central Customer Services and Complaint

Management Cell (CCS & CMC) under the direct supervision of Honourable Managing Director of the Bank.

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

Standard Bank Limited is putting its highest effort to provide quality services following the guideline "Customer Services & Complaint Management" of FICSD, Bangladesh Bank. At present SBL Customer Services and Complaint Management Cell (CCS & CMC) is working to prepare bank's own Customer Services & Complaint Management Guideline. Meantime a Six Member Committee-named as "SBL Guideline for Customer Services and Complaint Management Preparation Committee" has been formed on 9th November, 2017 where the Head of CCS & CMC is working as Member-Secretary besides several other executives of the bank to provide suggestions to prepare the guideline.

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 34 (Thirty four) complaints have been received by the CCS & CMC during the period of 01.01.2017 to 31.12.2017 details of which are as under:

Sl No.	Complainant	No. of Complaint Received	No. of Complaint Settled	No. of Complaint Unsettled
01	Bangladesh Bank	21	20	1
02	General customer/ Other institutions	13	13	0
Total		34	33	1

- 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 12,011 (cumulative) officers and executives under different branches of training through 437 courses and workshops since its inception in 2005.

During 2017, SBTI organized training for a total number of 2,403 officers and executives through 73 courses and workshops. In 2017, 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

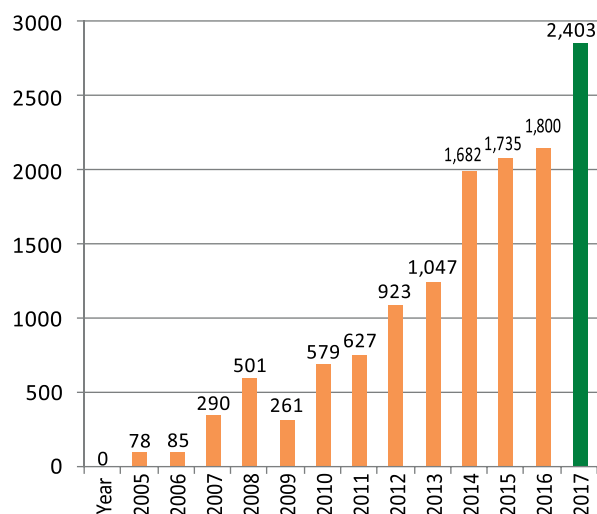
focused training program on Branch Management and Office management for looking for probable branch managers. The institute also conducted module-based workshops on credit operations for the same group of credit desk officers to choose and grow as certified credit officer. Training Institute also integrates 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.

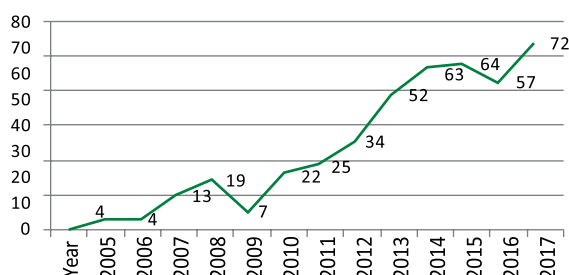
Besides, in 2017, a total of 260 executives and officers have been imparted training on different banking areas at different training institutes of the country like BIBM, BBTA, BIM, BAB etc. Further, 10 executives/officials have been facilitated with foreign training.

A year-wise training performance for the period from 2005 to 2017 is shown in the chart below:

No. of Participants

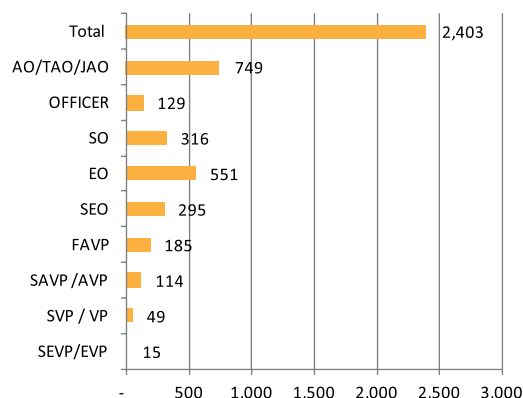


No. of Courses/Workshops

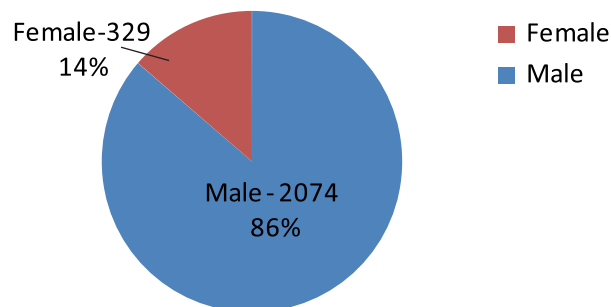


In 2017, Job Grades of 2,403 participants with Male –Female distributions;

Grade Wise Participants



Gender Wise Participants



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

Sl.	Category of Training	Frequency	Participants	% of Total
1	AML	11	731	30%
2	Business Strategy	1	22	1%
3	Communicative English	5	122	5%
4	Credit	24	590	25%
5	Foundation Course	2	115	5%
6	General Banking	8	314	13%
7	ICC	2	45	2%
8	International Trade	5	112	5%
9	IT	2	82	3%
10	Law	2	50	2%
11	Management	4	88	4%
12	Risk Management	2	46	2%
13	Soft Skill	4	86	4%
	Total	72	2,403	100%

Looking Forward: Annual Training Calendar, 2018

Considering the organizational need for capacity enhancement of manpower of the bank in different aspects of modern banking and as a part of converting human resources into human capital as well, the horizon of training has been extended in 2018.

In this backdrop, the training institute has chalked out the comprehensive Annual Training Calendar, 2018 comprising in-house and external (home & abroad) training programs as appended below:

Sl. No.	Category of Training Program	Area of Training	Frequency	Probable Participants
1	In-house Training Program for all categories of officials	<ul style="list-style-type: none"> Comprehensive foundation course for promoted officer (Officer/SO) Advance Course on Banking (Level-1, level-2 & level-3) Workshop on Credit Management, FOREX, IT & Soft Skill 	72	2820
2	Special Program for Senior Executives	Soft Skill (Brain Storming)	1	40
3	External Training Program (Home)	<ul style="list-style-type: none"> Advance Foreign Trade IT Risk Management & Soft Skill 	As available	90
4	Foreign Training Program	<ul style="list-style-type: none"> Advance Foreign Trade IT Risk Management 	As available	10

In 2018, with accomplishing general goals, training institute aims at achieving the following exclusive objectives:

- I. To enhance managerial competence of existing branch managers by conducting management related workshops ;
- II. To enhance soft skills of executives by conducting management development training program ;
- III. To impart comprehensive Foundation course for promoted officer (SO/Officer);
- IV. To impart advanced course on banking for EO to SEVP category level-1, level-2 & level-3
- V. to conduct workshop on Credit , Foreign Exchange to grow efficiency of the officials.

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 2017 a good enhancement is done in our core banking system. These will ensure more secured and controlled banking in our bank. Much new functionalities are added and many requirements are fulfilled.

Implementation of Titas Online bill collection system is at the last stage. Already implemented WASA, DPDC, BRTA, BTCL, DESCO, eTendering & Hajj online fee/bill collection system running successfully.

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

In 2017 we have implemented email for all employees of our bank as digital paperless communication and green banking initiatives. We have configured different email groups for different purposes such as, ALL, Loss Branch, TOP20 Branch, Midrange branch etc.

In 2017 we have implemented new state-of-the-art Datacenter for our bank. Before that we have migrated all our IT equipments from Old Chamber Building datacenter to Islam chamber new DC without huge interruption in service and then we started new DC implementation. All equipments of Disaster Recovery Center is mount at our DR site and implementation is going on. It is expected that new DR site will be in live operation from February-2018.

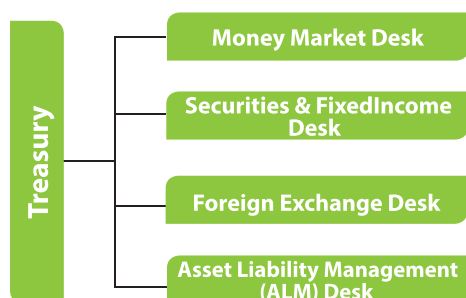
Treasury Division

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 2017?

Onset of a much awaited strong pick up in domestic investment and output activities came about in 2017, underpinned by substantial easing of infrastructure constraints, robust domestic demand and broad based pick up in global output growth. Taka liquidity overhang from FY17 largely served the purpose of meeting the monetary demand from increased economic activity, keeping domestic credit growth at 14.5 percent, in line with the 14.5 percent H1 FY17-18 program target, even with private sector credit growth of 18.1 percent, substantially overshooting the 16.2 percent H1 FY 17-18 program target. Decline in government's bank borrowing (due to high net sales of non-bank National Savings Certificates) helped ease pressure on banking system liquidity, besides moderating reserve money growth and its inflationary impact. Net foreign asset (NFA) growth (0.5 percent at Taka/USD exchange rate as of end FY17) trailed far below H1 FY17-18 target of 7.0 percent, with a sharp rise in imports driving current accounts into a deficit, triggering forex reserve depletion and taka depreciation.

In terms of output and price objectives, strong domestic demand, aided by strong private sector credit growth, growing exports and remittance has supported robust economic activities and has kept the economy on track to attain a 7 plus percent FY 18 GDP growth. Although weather-related supply shocks and rising global commodity prices have nudged up the food component of CPI inflation up to 7.2 percent and overall inflation to 5.7 percent in December, non-food inflation remains modest at 3.5 percent. Moderation of transient imbalance from credit-fueled high import growth to sustainable will be a key priority for monetary and micro-prudential policies in H2 FY18 and will be important to keep in check the inflationary risk from rising global commodity prices and any spillovers from food to non food inflation, against the back drop of elevated inflation expectations.

Outlook of 2018

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

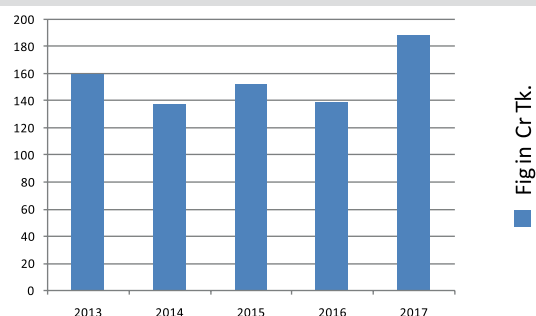
the banking sector are the challenges for the Bangladeshi economy in 2018.

Considering this challenges, Bangladesh Bank's monetary and financial policies embrace price and macro-financial stability objectives as well as inclusivity and environmental sustainability dimensions in pursuit of employment creation focused inclusive growth. In the near term context of domestic and global inflation outlook, H2 FY18 monetary program retains domestic credit growth ceiling unchanged at 15.8 percent, adequate to accommodate the targeted 7.4 percent real GDP growth and up to 6.0 percent annual average CPI inflation. Continuing negative trend of government's bank borrowing is projected to leave room for higher 16.8 percent FY18 private sector credit growth, against previous projection of 16.3 percent. Net Foreign Assets (NFA) growth, driven down to 0.5 percent in H1 FY18 by high import growth driven current account deficit, is projected to decline further to 0.1 percent in H2 FY18, even with a substantial moderation in import growth. Reserve Money growth and its attendant inflationary impact will remain moderate in H2 FY 18, aided by the government's negative or low bank borrowing.

Treasury performance in 2017

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 2017 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 2017 income from the Treasury was Tk.188.72 Crore.

Comparison of Treasury profit among last five consecutive years

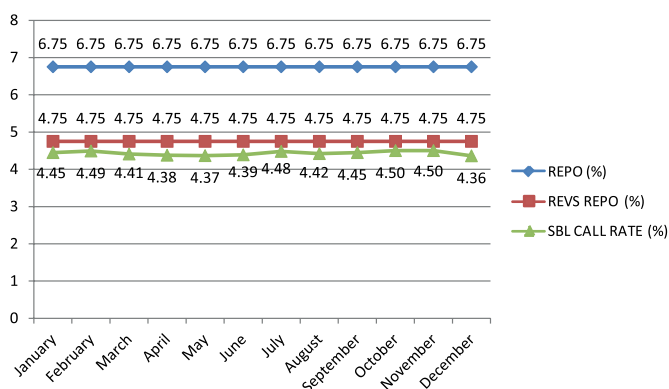


Standard Bank Money Market Desk

All through 2017 the interbank money market experienced a mixed scenario. Very first of the year market was liquid on the other hand at the end market was tightened. Money market faced a bit stretched at the end of second half of 2017. Call

money rate hovered around 3.19%-4.50% for most of the year 2017. Alike the previous years, Standard Bank Money Market Desk was very active in the money market all through the year 2017. Income from Call Money by MM Desk in 2017 was BDT 2.75 crore compared to BDT 2.05 crore of 2016 and expenditure was BDT 1.48 crore compared to BDT 4.27 crore of 2016.

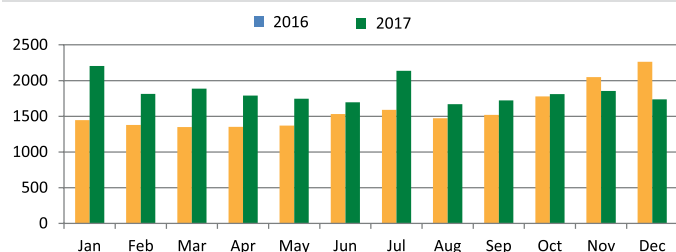
REPO, Revs. REPO & Call Money Rate for the FY of 2017



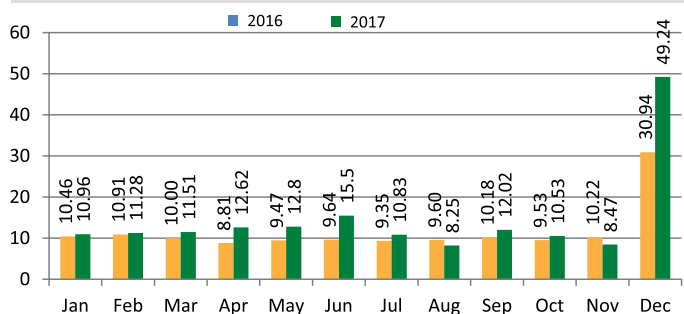
Standard Bank Securities & Fixed Income Desk

In 2017, Standard bank securities desk is active mainly government securities dealing in both primary and secondary market and it also invest in sub-ordinated bonds of other banks. The Securities Investment Committee takes investment decision and review the performance of the portfolio. Types of trade of government securities i.e. Treasury Bills (14 Days, 91 Days, 182 Days, 364 Days), Treasury Bonds (2 years, 5 years,

Month wise investment (in Crore Tk) of Govt. Securities between 2016 & 2017



Month wise net profit from investment (in Crore Tk) of Govt. Securities between 2016 & 2017



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 2017, our team positioned itself as one of the most promising member among the banks in secondary trading of government securities. At the end of 2017, our total portfolio was BDT 1737.27 Cr compared to 2016 BDT 2262.28 Cr.

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 one of the best treasury team in the market by 2018.

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

Human Resources

Human Resources Division of Standard Bank Limited plays a very vital role in formulating policies, developing corporate practice and culture. The Bank utilizes the existing skilled manpower and also brings in the best talents through a prudent recruitment policy in the right direction to fulfill the mission and vision of the bank. Proper recruitment policy lays the solid foundation for establishment of an institution at the initial stage and sustainable growth in future. The division has been performing the job of recruitment from the very inception of the institution maintaining 100% clarity and transparency under a well-regulated system to establish a free and fair selection of its team under the able guidance of the executives and officers. Total number of Executives, Officers and Staff in the bank is 2076 as on December end 2017. Out of them male employees and female employees are 1813 and 263 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'.

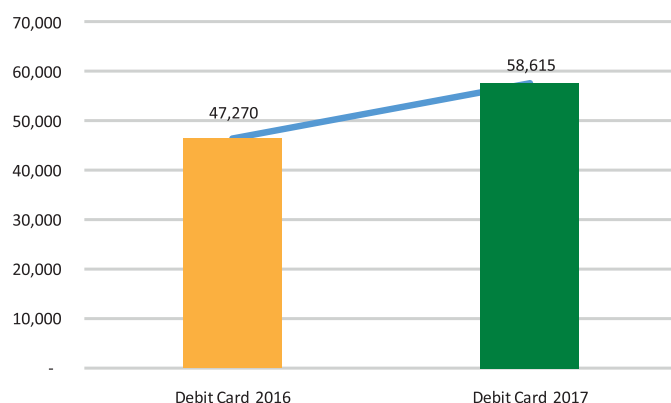
Card Division

In Bangladesh, there was a dramatic change in economic sector over the last 20 years-only few banks were offering credit card facilities and now almost all banks operating here are offering different kinds of credit cards with an average interest rate of 30%, which is considered to be very high in respect of the interest rate charged by banks in other consumer financing products and credit card companies in other countries. Considering high risk bearing unsecured product, the risk premium/spread from Credit Card sought by card issuing institutions from card users are reasonably high. Research said that, despite high interest bearing product, due to life style need, card users intention to explore new card related opportunity the advances made by the credit card companies has been found higher now-a-days.

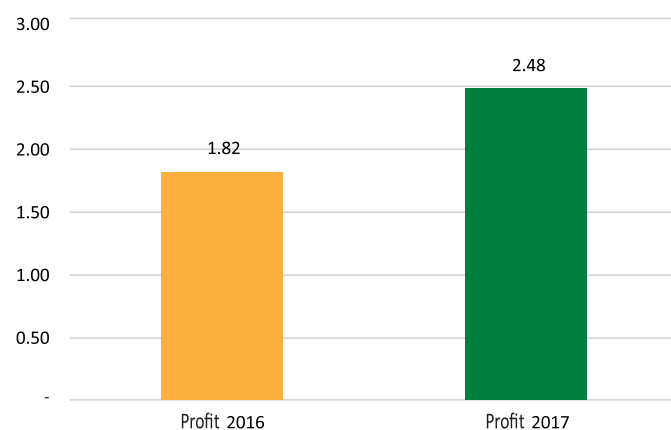
The socio-economic infrastructure facilities have been changed gradually and now people are becoming fashion-oriented. They want to cope with the changing global

economy. Standard Bank Ltd has always focused on customers' emerging needs and introduction of credit card is a step towards catering to such requirement.

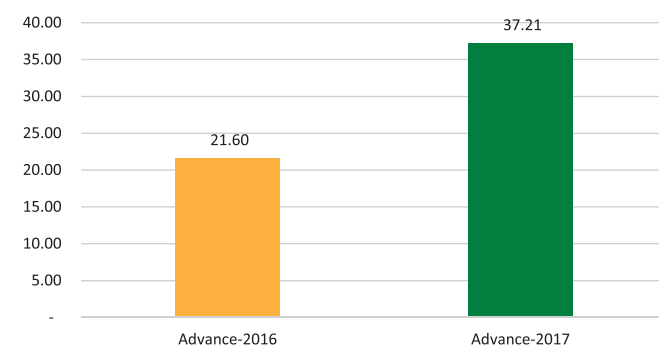
Debit Card Issuance Status



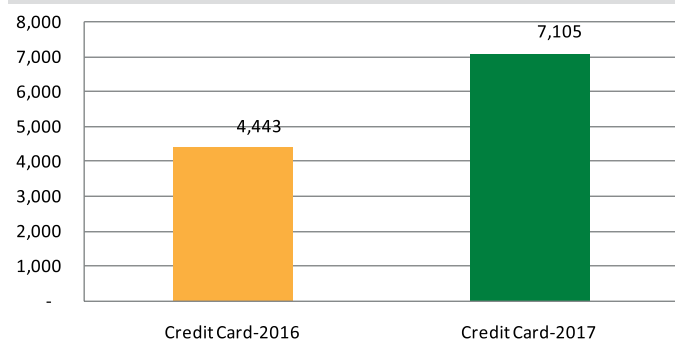
Profit Status



Advance Status



Credit Card Issuance Status



Cards Progress-2017

Commercially Launched Visa Platinum Card:

Today's card market is intensely competitive. Almost every private bank in Bangladesh is offering credit card facilities to the citizen of Bangladesh. Near about 1 crore Card users are using cards in Bangladesh and this number is increasing rapidly. To keep this in mind, Standard Bank offers VISA Platinum Card for the premium customers with a maximum limit of BDT 10 Lac where insurance facility is by default included.

Card Payment Automation:

To facilitate credit cardholders, automated credit card payment system has been introduced. From now on, branch employees can directly update payment both for BDT and USD part of the credit cardholders. This payment automation eliminate the IBC system which stimulate rapid payment update. It also reduce the human error and takes less time of payment updating.

Credit Shield Premium Facility:

By signing this agreement with ALICO(MetLife), Standard Bank Credit Cardholders by default enrolled into triple insurance benefits unless or until cardholder request for cancellation. Under the Accidental Death Insurance Plan, only one life will be insured (i.e., Primary Credit Cardholders). In case of Accidental Death of the insured Credit Cardholder, nominee of the Credit Cardholder will get the benefits (Gold Cardholders: BDT600,000 and Platinum Cardholders: BDT12,00,000).

Addition of Alliance Partners:

The more the merrier. In a competitive marketplace where businesses compete for customers; customer satisfaction is seen as a key differentiator. To increase customer loyalty Card Division is initiating Discount and EMI partners. There are 71 alliance partners Card Division addition to its alliance partners list. This is a continuous process and gradually this number will increase.

Initiation of Different Cards Campaigns:

For increasing the number of credit cards profit initiated different types of campaigns. Debit Card issuance under zero issuance fee, Issuance of Credit card with minimal issuance fee and zero issuance fee, reduce Card Cheque processing fee @ .70% and many more. We have received a remarkable response from market in this regard and card division believe that if we continue this type of campaign then card holders will be interested to use their cards and thus booking new prospects will be easy for us.

Complementary Lounge Facility:

Relax in style at the Balaka Executive Lounge at Hazrat Shahjalal International Airport. Standard Bank Platinum Cardholders (Primary cardholder) are can enjoy complementary lounge facilities round the year.

Goal of Card Division's 2018:

E-Commerce Acquiring Business:

Giving customers the option to shop online provides several benefits for the customers. The customer benefits from having the option to make a purchase online if they prefer staying indoors or want to save time. Weather conditions, busy schedules and long hours at work make online shopping idyllic for the average buyer. The customer also benefits from being able to find exactly what they want in a concise and efficient way.

Introducing VISA Signature Card:

Card Division is willing to issue Visa Signature card which may offer additional benefits and privileges. Visa Signature card provides exceptional spending power, a high level of rewards, priority customer service and exclusive privileges.

Introducing Contactless Card:

Visa contactless is the fast, simple and secure way to pay every day. With more and more places where you can make contactless payments, tap and pay is the easy way to make your daily purchases.

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, DigiBanking, Internet Banking, SMS Banking, and Mobile 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 67 ATMs at different locations of Bangladesh. The below statistics provide the no. of transactions occurred in our ATM during the year 2016 and 2017.

Particulars	2016	2017
Total No. of Transactions at SBL ATMs	246438	277003
Total Cash Withdrawal Amount at SBL ATMs	Tk. 191,41,34,000.00	Tk. 222,93,50,500.00
Total No. of Transactions (SBL Card at SBL ATMs)	144203	165057

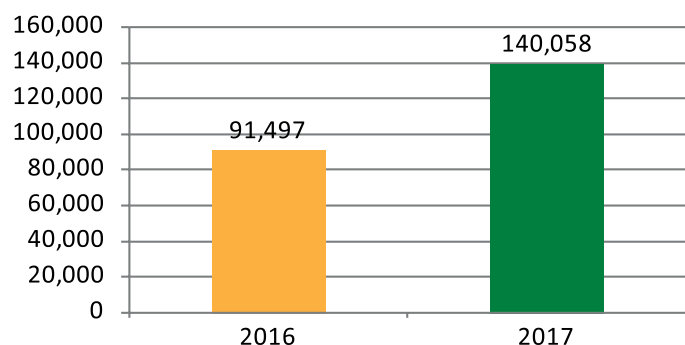
Particulars	2016	2017
Total Cash Withdrawal Amount (SBL Card at SBL ATM)	Tk. 119,15,61,000.00	Tk. 138,98,65,500.00
Total No. of Transactions (NPSB Cards at SBL ATMs)	102235	111946
Total Cash Withdrawal Amount (NPSB Cards at SBL ATMs)	Tk. 72,25,73,000.00	Tk. 83,94,85,000.00

(ii) National Payment Switch Bangladesh (NPSB)

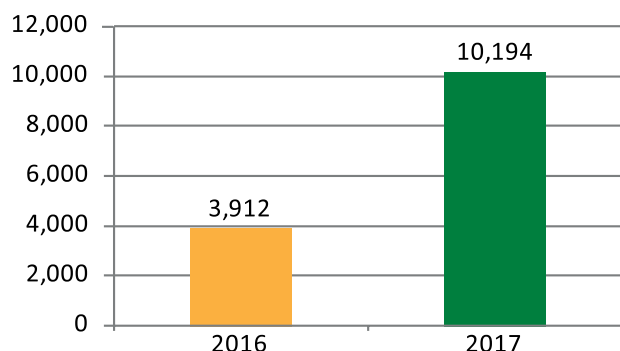
Standard Bank Limited is successfully connected with National payment System Bangladesh (NPSB). Now customers of SBL have access over 9500+ ATM networks as well as 28000+ POS networks allowing ATM transactions (Cash Withdrawal, Mini Statement and Balance Inquiry) and POS retail purchase service. More Banks are going to join soon. Sooner we are going to access all ATM & POS networks of Bangladesh. Below is the statistics of transaction summary between 2016 & 2017.

NPSB Transaction Report			
SBL Card at NPSB ATMs	Particulars	2016	2017
	No. of Transactions	91,497	1,40,058
	Amount of Transactions	Tk. 67,81,56,300.00	Tk. 104,02,81,100.00
NPSB Cards at SBL ATMs	No. of Transactions	1,02,235	1,11,946
	Amount of Transactions	Tk. 72,25,73,000	Tk. 83,94,85,000.00
NPSB Retail Purchase	No of Transaction	3,912	10,194
	Amount of Transaction	Tk. 1,23,78,690.63	Tk. 3,36,50,305.88

Transactions (SBL Card at NPSB ATMs)

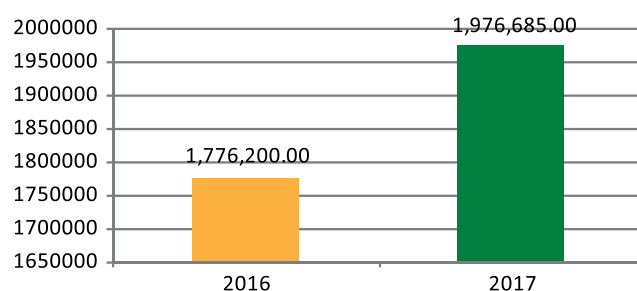


Transactions (NPSB Retail Purchase)

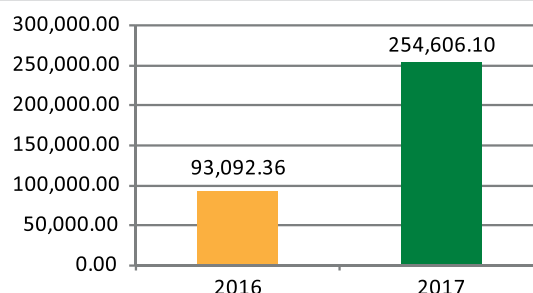


Revenue from NPSB Network		
Particulars	2016	2017
Total Income from SBL ATM using NPSB Card	17,76,200	19,76,685
NPSB Retail Purchase Income	93,092.36	2,54,606.10

Total Income from SBL ATM using NPSB Card



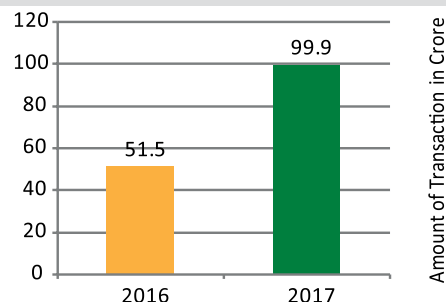
NPSB Retail Purchase Income



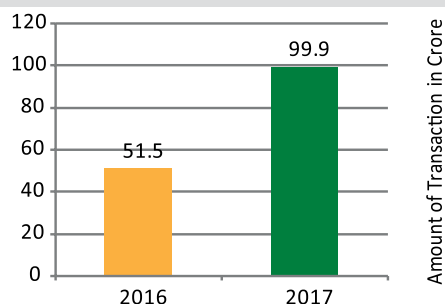
(iv) Branch POS

SBL already deployed 114 units of Branch POS in different branch. POS terminals help customers carry out chequeless transactions at branch by swiping debit cards on the POS machine and this is advantageous when ATMs are not nearby. Below is the statistics of the transactions occurred in our Branch POS during the year 2016 and 2017.

Branch POS Transaction Amount (in Crore)



Branch POS Transaction Report		
Particulars	2016	2017
No. of Transactions	32,679	56,697
Amount of Transactions	51,50,25,693.37	99,90,62,518.11

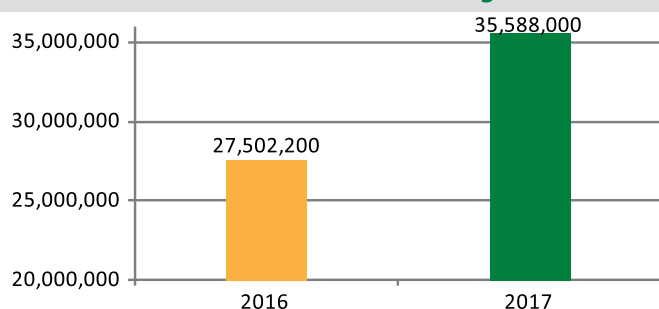
Branch POS Transaction Amount (in Crore)**(v) "SBL Express" Booth**

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. In addition, the officials present at Standard Express will offer assistance in opening a "Spot Cash" Mobile Financial Service (MFS) account and other banking services.

(vi) 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 2016 & 2017:

Year	Total No Of Customer	No Of SMS	Income from Service Charge
2016	263521	54,62,600	2,75,02,200.00
2017	350211	74,19,228	3,55,88,000.00

Income from SMS Banking**(vii) "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 150 with total amount Tk. 1,70,794.00/- December 2017.

(viii) Internet Banking

We already started technology based innovative banking services like Internet Banking. By using our secured Internet Banking service anyone can check their account balance, print statement and do fund transfer quite easily from anywhere around the globe using Internet. We have integrated a new service Mobile Recharge in the year of 2017.

(ix) SBL DigiBanking

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

Planning for 2018:**ATM Security & EMV Chip Card:**

By the year 2018, SBL is also planning to incorporate some security features across different delivery channels, such as;

ATM Security	Complying the Central Bank's instruction and as well as for securing ATM transactions from skimming fraud, we are going to install anti skimming device and PIN shield at all ATMs of SBL. By the Year 2018, we are planning to install additional 50 more ATM's all over Bangladesh.
EMV Chip Based Debit Card	For securing customer data at Debit Card, we are planning to incorporate EMV Chip based card in place of Magnetic striped card.
Switching System up-gradation	We are going to upgrade our switching system to provide more security and integrate value added services such as Merchant POS, E-wallet, Card-less ATM transaction and Recycler ATM services with real time cash deposits.

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

Agent Banking

Bangladesh is one of the most densely populated countries of the world with a population of 160 million and 85% of populations are in rural areas, although they are part of the economy but dispersed due to geographic isolation and presently are outside formal Banking network. Agent banking is an additional delivery channel that can enhance the convenience to provide quality and affordable technology based real-time online banking services for the underserved population in a cost-efficient manner without establishing a branch network.

Bangladesh Bank initiatives: Bangladesh Bank issued Guidelines on Agent Banking for Banks vide Payment system Department circular letter no.05 dated 9th December 2013, BRPD circular Letter No.07 dated 24th March, 2014 and subsequently Bangladesh Bank issued Guidance Note for Approval and operation of Agent Banking Activities for Banks vide GBCSRD circular letter no.02 dated 3rd June, 2014 and revised guideline vide BRPD circular no-14, dated-18 September 2017.

Standard Bank initiatives: Under the Bangladesh Bank permission vide letter No. BRPD(P-3)745(43)/2015-4907 date-30th June 2015, our Bank has started operation of Agent Banking in the year 2016. Under the pilot phase of operation approved by Bangladesh Bank, we were allowed to open 09(Nine) Agent Outlets in the year 2016 and those are already in operation. For expansion of our service network, Bangladesh Bank has given us permission to open additional 50(Fifty) Agent Outlets. In course of expansion of Agent Outlet across the country we have already opened 18(Eighteen) Agent Outlets throughout the country.

Present position of our Agent Banking performance up to 31-12-2017 is furnished below:

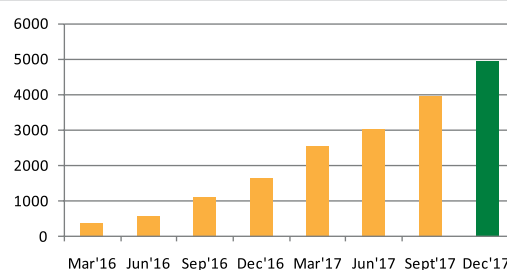
No. of Agent Outlet opened	No. of approved Outlet under process for opening	Total No of A/C	Total Deposit	F.Remittance Disbursed in 2017	Collection of Utility Bill in 2017
18	14	4925	749.30 Lac	746.42 Lac	46.69 Lac

Agent Banking Product & Services:

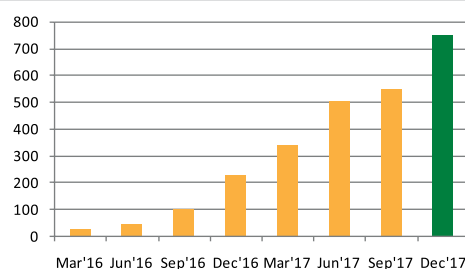
Standard Bank Agent Banking provides almost all types of Banking services including opening of different types of customer accounts, online fund transfer & EFTN, Foreign remittance payment, Utility bill collection, Disbursement of salary & allowances of Govt social safety net programme, School Banking.

Growth of Standard Bank Agent Banking in the year 2016-2017 is shown in chart below:

No of A/C



Deposit in Lac



Conclusion:

Standard Bank believes that large rural economy outside the banking net cannot be ignored & Agent Banking will provide the future banking platform for those people, not limited to customer services but shall explore the hidden rural economy, will usher a new era in banking through inclusion



Honorable Deputy Managing Director of Standard Bank Limited Mr. Md. Motaleb Hossain formally opened SBL Barail Bazar Agent Outlet under Nabinagar Upazila of Brahmanbaria District.

of rural people. Agent Banking will provide the opportunity to connect huge number of rural un-banked population under the Standard Bank umbrella, who are presently outside the banking network.

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, Law & Recovery Division starts follow-up and gives proper treatment/advice to the Branch regularly for realization/regularization of the loans. Besides this, Law & Recovery Division always monitors the suits filed by the Bank against the defaulter borrowers as well as suits filed by the borrower against the Bank through lawyers and informs the position to the higher Management and Board of Directors time to time.

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

1. 03 (three) Regional Offices has been formed in Chittagong, Khulna and Sylhet where our Officials vigorously trying to recover Bank dues from NPL & Written-off Loans.
2. Law & Recovery Cell has been formed in Regional Offices and Officials have been deployed there. Recovery Team has been formed in each and every Branch of the Bank.
3. Officials have been increased in Law & Recovery Division of Head Office.
4. Recovery Target has been set up among the Officials of Branches, Regional Offices and Head Office level and instruction have been given to Branches so that no new loan becomes classified.
5. NPL has been allocated among the Senior Executives of Head Office and they are vigorously monitoring for recovery.
6. Recovery Drive to the Branches by Head Office Executives is going on regularly.
7. Arrange meeting in regular basis with defaulter borrowers in Head Office and all out efforts is going on for recovery.
8. Phone call to the Branch Manager as well as Borrowers and Guarantors.
9. Issuance of letters to Branch and Borrowers followed by timely reminder.



10. Officers of Law & Recovery Division regularly visit Branches for proper follow up & verify documents for large loans at the time of disbursement.
11. Visit the borrower's business and residential address along with Branch Officials for recovery drive and taking action accordingly.
11. Visit the Guarantor's/Mortgagor's business and residential addresses even on holidays along with Branch representative for persuasion.
12. Visit the collateral security, verification of genuineness as well as Market Value of the same and ensure hanging Signboard thereto.
13. Visit Borrower's close relatives/friends/near & dears and requesting them to exert their influences on the borrower to repay the bank loan/liability.
15. A Loan Review Committee has been formed in Head Office consists of Head Office Senior Executives and they are arranging meeting in regular basis for follow-up with Branch Managers & Defaulter Borrowers.
16. Initiatives have been taken for arranging training of Branch Manager & Case Dealing Officers for recovery and quick settlement of Cases.
17. Monitoring of Case/Suit has been strengthening for quick settlement and experienced lawyers have been engaged.
18. Senior lawyers have been engaged with pending cases in Supreme Court.
19. Maintain close contact through personal visit to defaulter borrowers' business address and residence to strengthen the recovery through Alternative Dispute Resolution (ADR).
20. Ensure presence of Bank's officials along with BLA on the hearing dates of cases and close monitoring is being made from Head Office level.
21. Lawyers have been engaged to vacate the writ petition filed by the borrowers and regular contact has been maintaining with case conducting lawyers.
22. Case diaries have been maintaining in both of Branch & Head Office level for monitoring filed cases/suits.
23. Latest recovery progresses are being submitted regularly to Higher Management and Board Audit Committee for necessary instruction and guidelines.
24. Till date we have filed 36 Artho Jari Mamla for Tk. 147,20,85,882.92 and keep regular contact with BLA for early judgement.

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, 176 nos. of classified borrowers exit from Classification during the Year 2017 which amounting Tk.122.05 crore. However, as on December 2017 the Classification stands at 7.42% i.e. Tk.936.50 crore out of total loans and advances amounting Tk.12613.80 crore. During the Year 2017 an amount of total Tk.683.77 crore of loans and advances has turned into newly classified. The Bank is aware

of the increasing trend of NPL and vigorous recovery efforts have been geared up to reduce the non performing loans. Management is very much alert to the asset quality and taking proper steps to maintain asset quality by reducing the classified loans and stopping new classification of loans and advances in the current year.

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

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,

BTCL, DPDC, DECSO, BTCL, PDB, REB, BSTI, RJSC, BGMEA, Parjatan Corporation, Pass-port 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.

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 706.46 Million eqv. To BDT 55,684.44 Million in the year 2016. Import business during the year 2017 was USD 813.97 Million eqv. to BDT 66,509.83 with increase of 15.22%.

Export

During the year 2017, total export volume stood at USD 544.71



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 BSTI fees collection. The Department has already arranged School Banking initiatives of all branches as per instruction & guideline by Bangladesh Bank.

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

International Trade Operations

International Trade

One of the most important components of Standard Bank's business profile is financing in International Trade that has

million equivalent to BDT 43,806.97 million with compare to the export of USD 489.49 million equivalent to BDT 38,501.12 million for the year 2016 which is increased by 11.28%.

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 429 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 51 local banks also.

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

UAE covers Middle East, CIS & Africa), CommerzbankAG, Germany, globally(BIC:COBADEFFDOC), ICICI Bank(Globally), Handels Bank(Switzerland, Denmark, UK), Axis Bank Kolkata, AB Bank Mumbai, AB Int'l Finance(HK), EBL Finance (HK) Ltd., Sonali Bank (UK) Ltd., UBI Banca, Italy & Bank Al-Jazira, Saudi Arabia are mentionable. Most of the confirming banks are providing discounting facility against our acceptance under UPAS arrangement which plays a vital role in our LC business and also to fulfill our payment commitment abroad.

Foreign Remittance Drawing Arrangement

Presently, the bank has remittance drawing arrangement with Wall Street Finance LLC, USA, MoneyGram Payment System USA Inc. and with Western Union, USA through which we are receiving remittance globally. In UAE, we have arrangement with Wall Street Exchange Centre LLC, Al-Ghurair Exchange, Universal Exchange and Instant Cash FZE. We have also made remittance drawing arrangement and ZENJ Exchange



Company, Bahrain & Xpress Money, UAE as sub agent. Drawing arrangement with Al-Ghurair Int'l Exchange & GCC Exchange, UAE is under process. We have accomplished a drawing arrangement with BRAC Saajan Exchange Ltd, UK. 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 138.83 million equivalents to BDT 11,303.19 million for the Year 2017, which is higher by 29.86% compared to previous year 2016 of remittance USD 108.97 million equivalents to BDT 8,626.56 million.

Remittance received from Exchange Companies

During the year 2017, we have received USD 93.23 million equivalents to BDT 7,632.37 million through different exchange companies which has increased by 21.60% with compare to the remittance of 76.67 million equivalent to BDT 6,105.51 million for the year 2016.

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. The company is now

working as collecting agent of BRAC Saajan as its own MSB Account any bank in UK.

- 2) Standard Co. (USA) Inc. U/A/N "STANDARD EXPRESS": The Company started its operation on 1st March 2011 by opening its 1st branch at 37-22 73rd Street – Suite # 2B, Jackson Heights, NY 11372, U.S.A. It has now 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 USD48.33 Million equivalent to BDT3,989.16 Million from Standard Express during the year 2016 which is 25.24% higher than the previous year's(2016) remittance for USD38.59 million equivalent to BDT3,086.51 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. On 27th Dec 2017, we also have inaugurated another Foreign Currency Exchange Booth at Departure Lounge in Hazrat Shahjalal International Airport, Dhaka which is another remarkable value added portfolio in the Foreign Exchange Business of our bank.

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 652 bills amounting to \$55.16 Million have been discounted through OBU in 2016. In the year 2017 total 848 bills amounting to \$53.84 Million have been discounted through OBU.

International Trade Operations Department (ITOD):

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

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 econ-omy of the country. It considers the entire spectrum of businesses activities irrespective of size, not only for the bet-ter 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 peoples friendly business model. Dedicated IT infrastructure, Technology base product. Strong Internal Control System and Efficient Performance of the Management team are most effective tools in attaining better outcome at Standard Bank Ltd. Ours strategic investments in IT infrastructure. Branch ATM network, mobile banking, agent banking services and human capital continues in 2017. 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

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,
- Developing human resources by rendering training at the renowned institutions in home and abroad,
- Adopting leadership development strategies aligned with business strategies,
- Key Performance Indicator (KPI) based evaluation system,
- Developing human resource management system to transform the organization into the greater height.

Prudent risk and appetite management

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

- For Credit Risk, our focus is developing a strategic business plan for appetite management and structured policy guideline and framework in order to manage default.
- Ensuring effective risk management system especially prudent management of Asset Liability Risk, Foreign Exchange Risk and Operational Risk.
- Ensuring meticulous compliance of disbursement procedures and monitoring and follow-up of each loan

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.



- 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

Fairness, Transparency, Accountability and Responsibility are the minimum standard of acceptable corporate behavior today. Standard Bank Limited continues to ensure the compliance of Corporate Governance as per Bangladesh Bank guidelines & Bangladesh Securities and Exchange Commission rules and regulation. Corporate Governance establishes specific responsibility to ensure accountability.

Branch Management & Operations Division (BMOD)

Branch Management & Operations Division (BMOD) of the Bank's Head Office deals in core banking system. This Division 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 Arrangements, Branch Establishment, Business Development, all Operations, Control, Vigilance, Preventive & Corrective Measures and compliance for all core banking job.

Selection of business location is of strategic importance for a bank. A good branch location ensures more profitable customers and increases the possibility of potential sales, increase sales, retain customers, and strengthen customer relationship as well as economic contribution to the country. A well-planned business network helps banks gain a large market share. As on today, we are operating our business throughout country with our 122 branches (as on 31st December 2017) and another 3 branches will be inaugurated soon. 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.

Details are given below:

Standard Bank Limited Branches Status at a glance					125 Branches YR 2017
	Particulars	Number			
A	Branches in Operation in 2017				
1	Number of Urban Branches	75	AD Branch 19 Non AD Branch 106	125	
2	Number of Rural Branches	43			
3	Number of SME/Agri Branches	07			

The Management has planned to expand bank's network by opening 10 (Ten) more new branches during the year 2018 at the important commercial hubs (both rural & urban) of the country subject to obtaining permission from Bangladesh Bank.

Sl.	Branch	Opening plan- 2018	
1	Number of Urban Branches	05	10 Branches
2	Number of Rural Branches	05	

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	Remarks
1999	04	04	
2000	05	09	
2001	01	10	
2002	03	13	
2003	02	15	
2004	03	18	
2005	04	22	
2006	04	26	
2007	03	29	
2008	03	32	
2009	09	41	
2010	17	58	
2011	10	68	
2012	09	77	
2013	10	87	
2014	09	96	
2015	08	104	
2016	10	114	
2017	11	125	

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:

The Division has been providing continuous support for operations of the branches and has been trying to provide longer

term solution for taking both operations level & long term policy level under consideration.

The Division is engaged in marketing of corporate products by way of mobilizing deposits and extending various supports to reputed business entities and mass market throughout Bangladesh & abroad. The Division is working relentlessly with a view to grow 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 and Bangladesh Railway etc.

The Division 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, Narayanganj, Gazipur & Savar. Besides online Hajj fees collection through all branches is also remitted to Saudi Arab every year through Sonali Bank Limited. The Division has successfully 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, DECSO, 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. The Division has also 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 Division 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.

The division coordinate the following meeting over the year as under:

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

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

1. Agreement with CPTU for functioning E-Tendering through all Branches,
2. Agreement with Dhaka WASA for On-line bill collection of WASA Bills through all Branches,
3. Agreement with BRTA for collection of motor vehicles Taxes and fees through On-line Banking system,
4. Agreement with DPDC for On-line collection of Electricity Bills through all Dhaka based Branches of SBL,
5. Agreement with DESCO for On-line collection of Electricity Bills through all Branches,
6. Agreement with REB for collection of Electricity Bills at all rural Branches,
7. Agreement with 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,
12. Agreement with "Bank Compare BD", credit card referral agency to our bank with the help of Credit Card Division,
13. Agreement with Election Commission to verify the NID information of client from their database,
14. Agreement with TITAS gas bill collection through online banking system.
15. A MoU signed with Radisson Blu Chittagong for hotel accommodations & facilities for SBL and our valued customers.

The following arrangements are under process:

1. Agreement for E- Passport fees collection is under process.
2. Agreement for collection of City Corporation's holding & other taxes are under process.
3. Agreement for collection of BSTI fees is under process.
4. Agreement with Grand Sultan Tea Resort & Golf & DuSai Resort & Spa; Moulvibazar for hotel accommodations & facilities for SBL and our valued customers.

Jobs performed at the Division can basically be segregated into 4 (four) broader groups:

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

A. Business Development: Deposit Mobilization:

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

B. Operational Controls:

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

C. Vigilance:

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

2. Implementation of Self-Assessment of Anti-Fraud Internal Controls checklists of Bangladesh Bank to our branches.
3. Physical visit.
4. Complaint Cell.
5. Implementation of regulations.

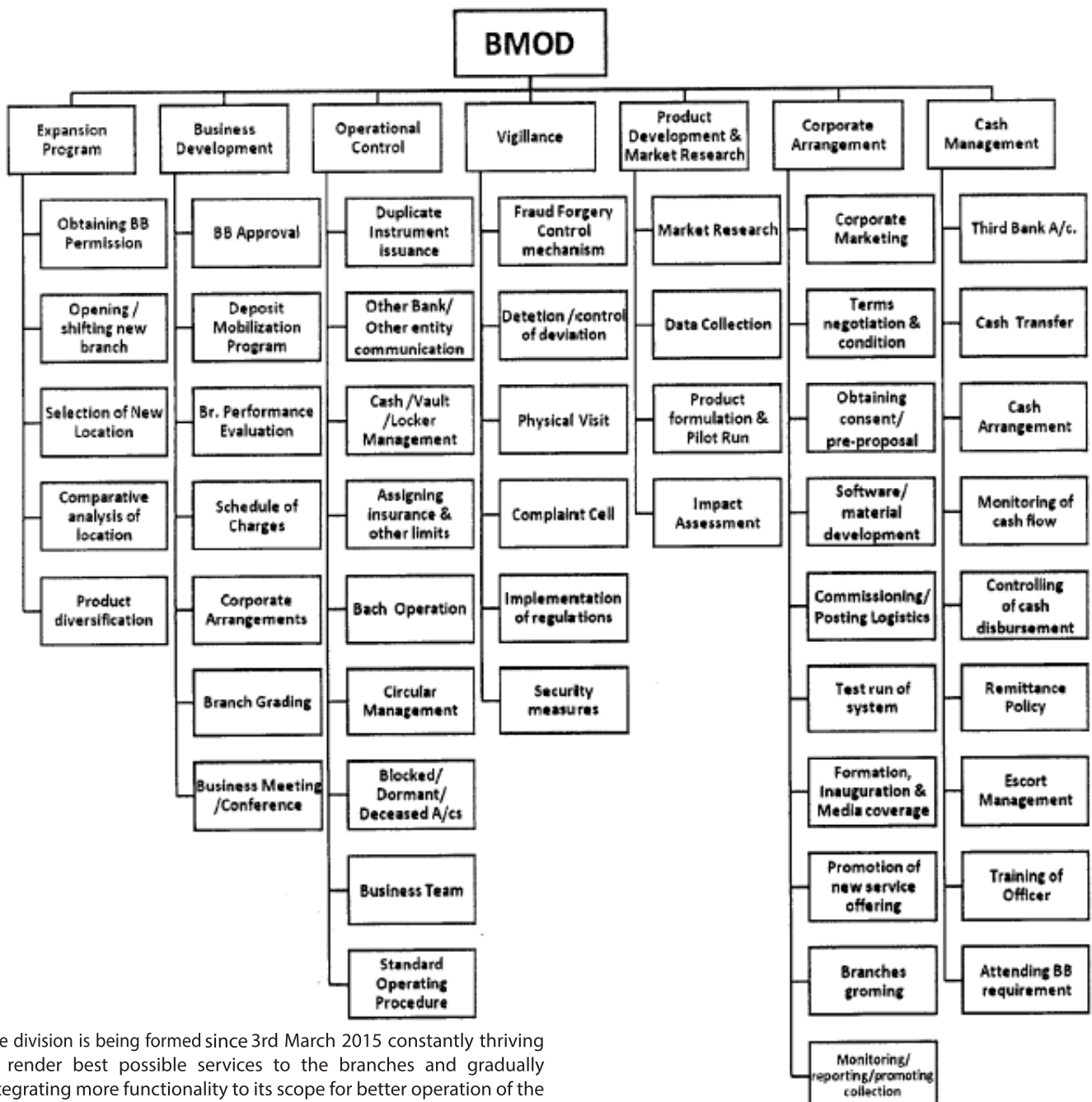
D. Product Development & Market Research:

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

Organization Structure of Branch Management & Operation Division

Islami Banking:

For clients full satisfaction Vis-à-vis our sponsors' also, we have introduced Islamic Banking alongside our conventional Banking at the end of the year 2009. Currently we are operating Islamic Banking through two Windows at Topkhana Road Branch, Dhaka and Agrabad Branch, 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.



The division is being formed since 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.

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.

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



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:

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

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.

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

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

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

SCML manages Investors Portfolio an amount of Tk.226.74 crore only against margin loan of Tk 193.38 crore only as on 31 December, 2017. Besides, the company made total investment of Tk. 204.22 crore only at Own Portfolio where as market value of Tk. 161.15 crore only.

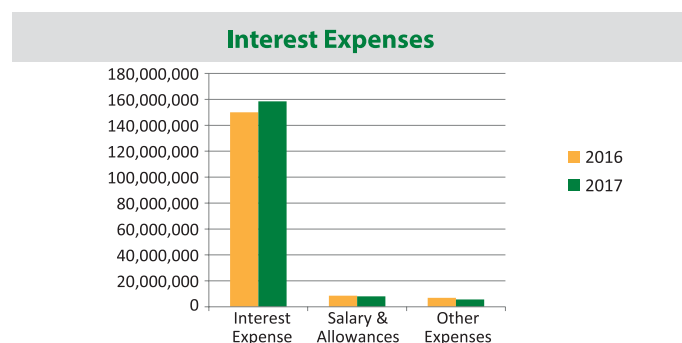
The Company has also committed with 5 (five) following Companies and Bank as an underwriter for a total amount of Tk. 25.20 crore only upto 31 December 2017:

- Esquire Knit Composite Ltd
- AB Bank Ltd

- Arian Chemicals Ltd
- Navana Real Estate Ltd
- Rupsha Fish & Allied Industries Ltd

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

As on 31 December 2017, we have rescheduled 83 (eighty three) numbers of portfolio accounts along with interest free block loan amount of Tk. 15.31 crore only for 77 (seventy seven) numbers of

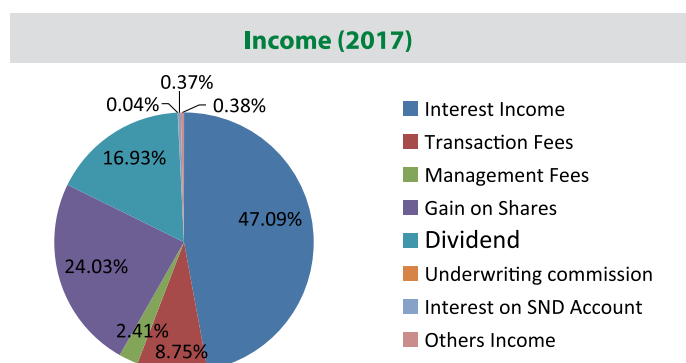


Accountholders. Besides, charges on loan losses was Tk. 3.75 crore only in 2017. However, SCML has earned operating profit of Tk. 15.85 crore only in 2017 where as Tk. 18.88 crore only in 2016.

Business position of SCML:

Sl.	Particulars	As on December 31, 2017
1	No. of Accounts	2081
2	Total Margin Loan to Clients	Tk. 193.38 crore
3	Total Clients Portfolio value at cost price	Tk. 226.74 crore
4	Total Clients Portfolio value at Market price	Tk. 170.35 crore
5	Total Own Portfolio value at cost price	Tk. 204.22 crore
6	Total Own Portfolio value at Market price	Tk. 161.15 crore
7	Average daily trade volume	Tk. 6.67 crore

The below stated pie depicts the various sources of Income in the year 2017 and the bar chart shows the expenses of SCML in 2017 in comparison with 2016:



BDT in crore

Sl.	Particulars	2017	2016	Increase/(Decrease) in per-centage
1	Income	32.38	36.09	(10.27)
2	Expense	16.53	17.21	(3.95)
3	Operating Profit	15.85	18.88	(16.04)
4	Net profit before tax	9.22	6.45	42.94
5	Net profit after tax	4.73	0.69	585.50
6	Retained earnings	5.22	3.48	50.00
7	EPS (Tk.)	3.16	0.46	586.95
8	NAV (Tk.)	103.48	102.33	1.12

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 C-105752/12 for commencement of business dated 26 November 2012. Standard Bank Securities Limited is corporate TREC holder of Dhaka Stock Exchange Limited. The company started its commercial operation in the month of June 2013. The principal place of business is the Registered Office at 2 DIT Avenue (Ext.), 1st Floor, Motijheel C/A, Dhaka-1000. The principal objectives of the company for which it was established are to carry on the business as stock broker and stock dealer in relation to shares and securities transactions, other services related to the Capital Market and other activities as mentioned in the Memorandum and Articles of Association of the company.

Standard Bank Securities Limited is dedicated to providing a high level of professional and personalized services to its all clients. The company intends to offer high level of quality product and services at a competitive rate to all clients. It has proven reputation

Total Operating Expenses: For the year 2017 SBSL's Direct Expenses was 0.55 Crore Taka and Financial Expenses was also 0.55 Crore Taka. After these the expense for Salary & Allowance was 0.76 Crore Taka and Other Expenses was an amount of 0.56 Crore Taka.



in serving customers by maintaining strong compliance practices and extreme ethical standard.

Now the number of clients of SBSL is more than sixteen hundred and it comprises of local individual & institutional investors. SBSL also acts as Panel Broker of SBL Capital Management Limited. During the year 2017 the company earned operating profit of taka 9.85 Crore as against taka 5.08 Crore in 2016.

SBSL Products:

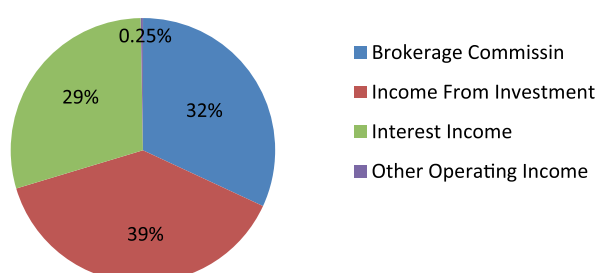
- Beneficiary Owners (BO) Account as Cash Account
- Beneficiary Owners (BO) Account as Margin Account.

SBSL Services:

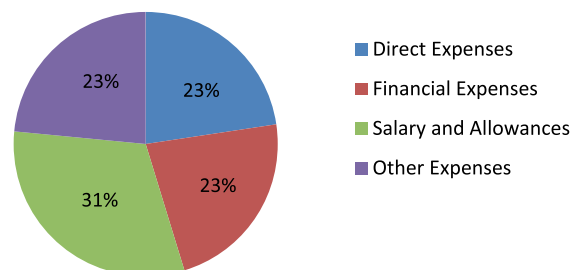
- Trade Execution through Dhaka Stock Exchange
- Full Service Depository participant
- Research and Advisory Services
- IPO Application Services
- Margin Loan Facility with affordable Interest Rate
- Online Trading Facility
- Daily Portfolio Services through e-mail

Total Operating Income: SBSL shows its operating income among four basic segments. For the year 2017 the company generates 3.92 Crore Taka from Brokerage Commission, that is the main income source of SBSL. After that the Income from Investment was 4.72 Crore Taka and Interest Income was 3.61 Crore Taka. And finally there was some amount of 0.03 Crore Taka heading Other Operating Income for the year of 2017.

Total Operating Income (2017)



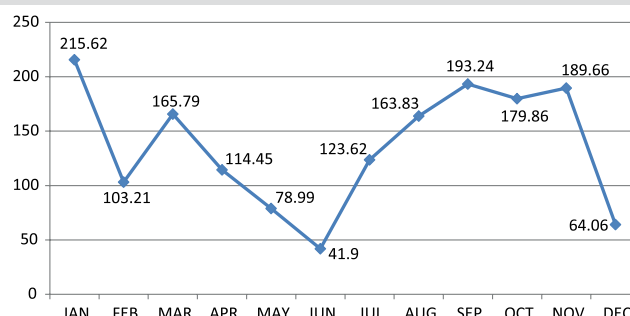
Total Operating Expenses (2017)



Monthwise Turnover: Turnover or the Trade Volume is the vital issue for generating a handsome Brokerage Commission. Over the year the company's total turnover was 1634.26 Crore Taka. The monthwise trade volume is shown below by drawing a graph.

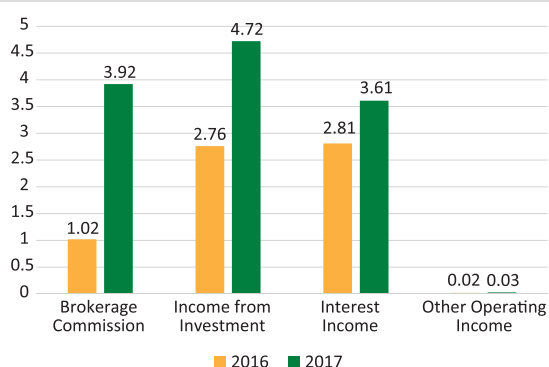
Financial Growth: Due to unstability of national economy and poor trade volume of DSE, the year 2017 was a very challenging year for SBSL. But SBSL handle every situation over the year and generate an operating profit before tax and provisions of 9.85 Crore Taka. This amount is almost double by comparing with the past year, that was 5.08 Crore Taka for 2016.

Monthwise Turnover (Amount in Taka Crore)



Some Comparison Graph is given below for better understanding. Here, in this graph of Operating Income Comparison (2016-2017), we can see that, the Brokerage Commission income for the year 2017 was 3.92 Crore Taka where as the income from same entity was 1.02 Crore Taka in 2016. So here we can record a growth rate of 284%. Income from Investment also increased by 71%, in 2016 the amount was 2.76 Crore Taka and for the next year its increased to 4.72 Crore Taka. Interest Income is also increased by 2.81 Crore to 3.61 Crore Taka with 28% growth rate.

Operating Income Comparison (2016-2017)



Operating Expenses Comparison (2016-2017)



By following the graph Heading Operating Expenses Comparison (2016-2017), we can gather an idea about the increasing as well as decreasing amount of expenses.

Year	2017	2016	2015	2014
No. of Clients (total 1650)	429	187	240	542
Margin Loan to Clients (crore)	27.36	15.91	11.48	10.69
Operating Profit (million)	98.50	50.80	50.60	90.90
Total Turnover-Trade (million BDT)	16342.62	3847.33	5048.08	7278.13

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-14.18% Consolidated-13.96%

as on 31 December 2017). To meet up the compliance of BASEL-III deadline, with consent of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, Standard Bank Limited issued "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT (BOND)" for total of BDT 600.00 crore to meet up the Tier-II capital requirement of the Bank.

Branch Expansion And Business Diversification

The year 2017 was a remarkable as well as worth noting for us because of the fact that the year had been marked by an astounding record of growth and development through multidimensional steps taken by the management. Several epochs making steps in matters of business dissemination and diversification had taken place during the year.

Keeping in mind the existing ongoing strategy plan set before and, we, during the year 2017, opened 10 (ten) new branches including 5 (five) Rural Branches with the total number of branches coming at 125 (one hundred twenty five) 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.



SBL Opens Agent Outlet at Daudkandi Bazar, Comilla

Our bank plans to open 10 (ten) new branches both urban (5) and rural (5) areas in the year 2018 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 111th Branch at Mathbaria, Pirojpur



Standard Bank Limited inaugurates 115th Branch at Fulbari, Dinajpur



Standard Bank Limited Inaugurates 118th Branch at Momin Road, Chittagong



Standard Bank Limited inaugurates 122nd Branch, North South Road Branch, Dhaka



Standard Bank Limited inaugurates 124th Branch, Shakpura Branch, Chittagong



Standard Bank Limited inaugurates 121st Branch at Mohadevpur, Naogaon



Standard Bank Limited inaugurates State-of-the-Art Data Center

Corporate Social Responsibility

This year Corporate Social Responsibility (CSR) activities of the Bank Incurred as expenses of Taka 179.80 million under Health, Education, Disaster Management, Environment, Cultural welfare, Infrastructure improvement in remote/underprivileged areas, Income generating activities for the underprivileged population, and Others program's as against Taka 80.01 million in 2016 to reaffirm the commitments of the Bank towards the society.

Appointment of Auditors

M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants have completed their first year as statutory auditor of the Bank. As per rules statutory auditor of a bank can be appointed for three consecutive years. As such M/S Khan Wahab Shafique Rahman & Co. is eligible for reappointment and they have expressed their willingness for reappointment. The Audit Committee reviewed their expression of interest and recommended to the Board. The Board recommended to the shareholders regarding re-appointment of M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants as a statutory auditor of Standard Bank Ltd. for the year 2018 at an Annual Audit fee of BDT 6,00,000 (taka Six lac only) Now in exercise of the power conferred upon Section 210(10) of the Companies Act, 1994. The shareholders of the company will approve the appointment and to fix the Auditor's remuneration in the ensuing annual general meeting. In this regard prior approval from Bangladesh Bank will be taken to appoint M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants.

Board of Directors

The Board of Directors of the Bank consist of 16 members with 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 shareholders of the company. 21 (twenty one) Board meetings were held on during the year 2017.



The Board of Directors is the supreme authority in the Bank's affairs. To ensure the company's prosperity by collectively directing the company's affairs the Board approved different loan & investment proposals and adopted policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance and plans for smooth growth of business. The Board provided guidelines for technological development in consideration of requirement of time and to face the challenges and competitions. The Board also reviewed different policies & programs on monthly basis in order to establish effective risk management in credit and other key areas of operations and provides guidelines to the Management for upholding and protecting the interest of the Bank. In addition to business and financial issues, boards of directors deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

Committees of the Board

The Board 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 decide or act in those cases as instructed by the Board of Directors that are not specifically assigned on full board through the Bank Company Act and other laws and regulations. The Committee used to ensure the implementation of policy and guidelines of the Board and continuous efforts guides the Management to develop uniform and minimum acceptable credit standards for the Bank. The present executive committee of the Bank is comprised with 7(seven) members.



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 23.12.2012 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 2017, the Audit Committee conducted 6 (six) meetings.



iii) Risk Management Committee

Risk management committee was formed to play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently. The Committee identifying and assessing several risk factors. The committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified. The present Risk Management Committee of the Bank is comprised with 5(five) members. 03(three) meetings of Risk Management Committee held during the year 2017.



Independent Director

To ensure good governance in the bank management and as per BSEC guidelines, the Board appointed 3 (three) Independent Directors who 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 Mr. Md. Nazmus Salehin, a top notch public sector banker of the country, who has been active in banking service for the last 35 years. 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. 2,280,000 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/CMRRC/2006-158/134 ADM IN/44 DATED 07 AUGUST, 2012

The pattern of shareholding position as on 31.12.2017

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

Sl. No.	Name	Position	No. of Shares	(%) of shareholding
1	Mr. Kazi Akram Uddin Ahmed	Chairman	18,644,812	2.35%
2	Mr. Mohammed Abdul Aziz	Vice-Chairman	22,412,198	2.83%
3	Mr. Kamal Mostafa Chowdhury	Director	19,102,780	2.41%
4	Mr. Ashok Kumar Saha	Director	17,163,676	2.17%
5	Mr. Ferozur Rahman	Director	16,406,403	2.07%
6	Mr. Md. Monzurul Alam	Director	15,837,109	2.00%
7	Mr. S. A. M. Hossain	Director	21,561,574	2.72%
8	Al-Haj Mohammed Shamsul Alam	Director	20,122,978	2.54%
9	Mr. Gulzar Ahmed	Director	15,852,194	2.00%
10	Mr. Md. Zahedul Hoque	Director	26,461,766	3.34%
11	Al-Haj Mohd. Yousuf Chowdhury	Director	15,836,445	2.00%
12	Investment Corporation of Bangladesh represented by its Managing Director	Director	32,094,619	4.05%
13	Mr. S.S. Nizamuddin Ahmed	Independent Director	239,881	0.03%
14	Mr. Najmul Huq Chaudhury	Independent Director	-	0%
15	Mr. Md. Nazmus Salehin	Independent Director	-	0%
16	Mr. Mamun-Ur-Rashid, Managing Director	Ex-Officio Director	-	0%

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

Sl. No.	Particulars	Share Holdings
1	Chief Executive Officer and his spouse & minor children	
2	Company Secretary and his spouse & minor children	Nil
3	Chief Financial Officer and his spouse & minor children	Nil
4	Head of Internal Audit and his spouse & minor children	Nil

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

Sl. No.	Name	Position	Share Holdings
1	Mr. Md. Tariqul Azam	AMD	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 2017 total 21 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 2017 are as follows:

Sl. No.	Name	Position	Total no. of Meetings Held	Attended	Remarks
1	Mr. Kazi Akram Uddin Ahmed	Chairman	21	21	
2	Mr. Mohammed Abdul Aziz	Vice-Chairman	21	20	
3	Mr. Kamal Mostafa Chowdhury	Director	21	20	
4	Mr. Ashok Kumar Saha	Director	21	12	
5	Mr. Ferozur Rahman	Director	21	18	
6	Mr. Md. Monzurul Alam	Director	21	1	
7	Mr. S.A.M. Hossain	Director	21	19	
8	Al-haj Mohammed Shamsul Alam	Director	21	16	
9	Mr. Gulzar Ahmed	Director	21	11	
10	Mr. Md. Zahedul Hoque	Director	21	15	
11	Al-haj Mohd. Yousuf Chowdhury	Director	21	10	
12	Investment Corporation of Bangladesh represented by its Managing Director Mr. Kazi Sanaul Hoq	Director	21	13	
13	Mr. S.S. Nizamuddin Ahmed	Independent Director	21	17	
14	Mr. Najmul Huq Chaudhury	Independent Director	21	20	
15	Mr. Md. Nazmus Salehin	Independent Director	21	15	
16	Mr. Mamun-Ur-Rashid	Ex-officio Director	21	21	

Audit Committee Meeting 2017

Sl. No.	Name	Designation	No. of Meetings Held	Attended	Remarks
1	Mr. S. S. Nizamuddin Ahmed	Chairman	6	6	
2	Mr. Kamal Mostafa Chowdhury	Member	6	5	
3	ICB Represented by its MD Mr. Kazi Sanaul Hoq	Member	6	4	
4	Mr. Najmul Huq Chaudhury	Member	6	5	
5	Mr. Md. Nazmus Salehin	Member	6	5	

Executive Committee Meeting 2017

Sl. No.	Name	Designation	No. of Meetings Held	Attended	Remarks
1	Mr. Md. Zahedul Hoque	Chairman	1	1	
2	Mr. Ashok Kumar Saha	Member	1	1	
3	Mr. Ferozur Rahman	Member	1	1	
4	Mr. S.A.M. Hossain	Member	1	1	
5	Mr. Mohammed Abdul Aziz	Member	1	1	
6	Al-haj Mohammed Shamsul Alam	Member	1	1	
7	Mr. Gulzar Ahmed	Member	1	1	

Risk Management Committee 2017

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

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 2017. The Board extends thanks to the valued customers, patrons and well-wishers for their continued support and co-operation to the Bank. The Board also appreciates the dedicated services of the Senior Management Team, all Executives and other employees of the Bank. The Board

offers thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited for their appreciable support and co-operation to the Bank. The Board also expresses its appreciation to M/S Khan Wahab Shafique Rahman & Co. the Auditor of the Bank, for their efforts for timely completion of Audit. The Board of Directors also thanks both the print and electronic media personnel for giving media coverage to Bank's different activities and events. Finally, the Board thanks the respected Shareholders and assures them that it will continue to add to the Shareholders' wealth through further strengthening and development of the Bank in which they have placed their trust and confidence. We want to continue on doing the best and ensure prolonged development in the economy, society, lifestyle and thus every sphere of our country in line with our vision. Our sustainable banking operation is attributed to our prudent Board of Directors, effective Management, enthusiastic and skillful employees and trust bestowed upon us by our valuable clients and shareholders.

Sincerely

On behalf of the Board of Directors.



Ln. Kazi Akram Uddin Ahmed
Chairman

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 business practices, objectivity and integrity in order to satisfy the objectives of the entity. Corporate governance represents a strategy for companies to ensure a framework of control for its administrative and management practices. This is achieved through procedures that are aligned with recognized standards that respond to the interests of shareholders and other stakeholders. Proper governance ensures fairness, transparency and accountability and safeguards the interests of all stakeholders, especially the minority shareholders. Empirical research also suggests that corporations that adhere to good governance practices are not only more sustainable but also tend to generate higher profitability.

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.

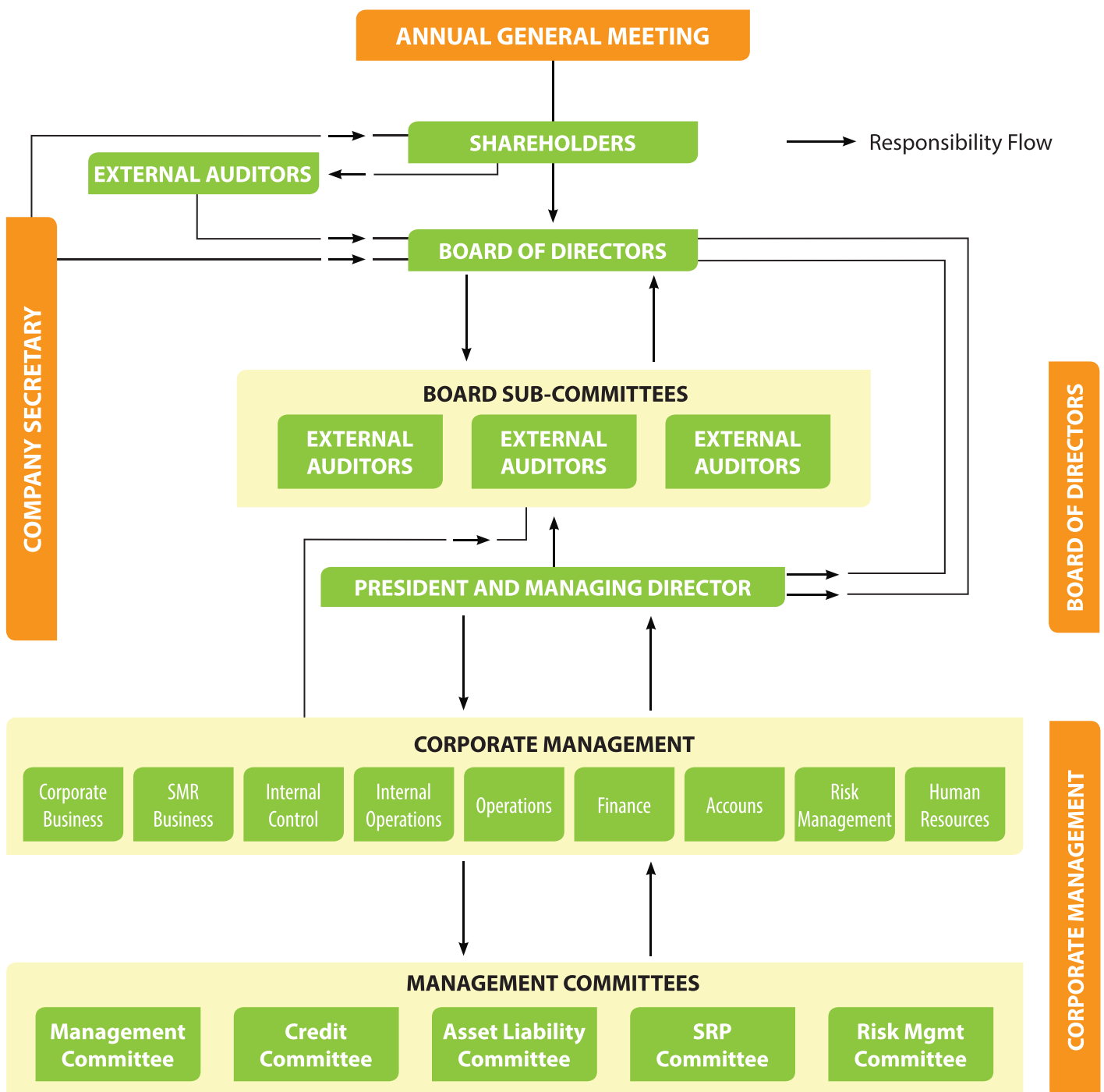


Standard Bank Limited considers that its corporate governance practices comply with all the aspects of the revised Corporate Governance Guideline (CGG) Notification No. SEC/ CMMRRCD/2006-158/Admin/44, dated August 07, 2012, issued by

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.

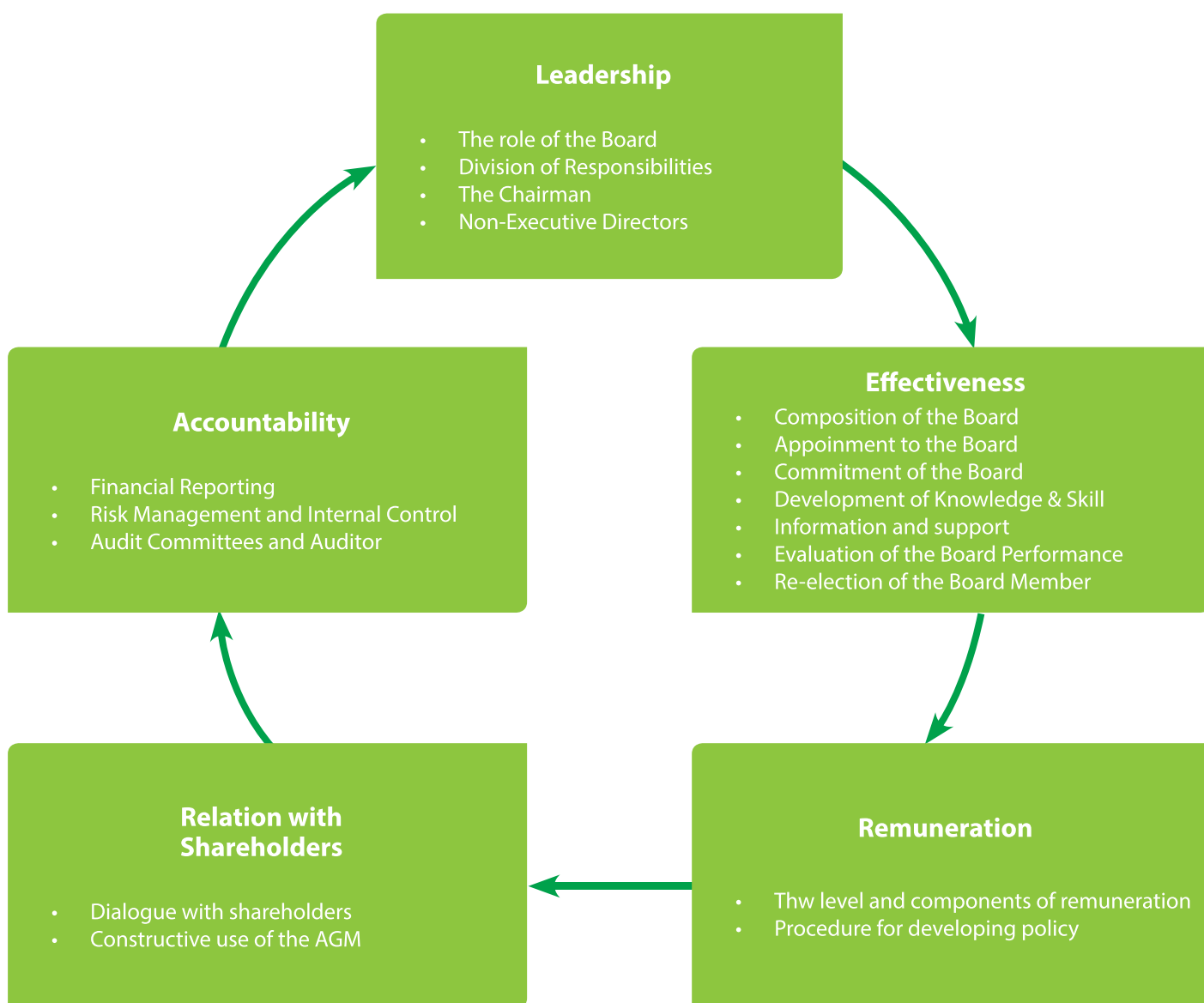


The Board duly complies with the guidelines issued by the Bangladesh Bank regarding the responsibility and accountability of the Board, its Chairman and Chief Executive/Managing Director, vide BRPD Circular No.11 dated October 27, 2013.

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:



Report on Compliance with best practices on Corporate Governance

Principles	Practices
Leadership	
The role of the board	The Bank is headed by an effective board which is collectively responsible for its long-term success of the company.
	The board meets sufficiently regularly to discharge its duties effectively. There is a formal schedule of matters specifically reserved for its decision.
Division of responsibilities	There is a clear division of responsibilities at the head of the Bank between the running of the board and the executive responsibility for the running of the Bank's business. No one individual has unfettered powers of decision. The roles of the chairman and chief executive are not be exercised by the same individual.
The Chairman	The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role. The chairman promotes a culture of openness and ensures constructive relations between executive and non-executive directors.
	A chief executive does not go on to be chairman.
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.
	Non-executive directors comprise at least half of the board (excluding the chairman).
	The board determines whether non-executive directors are independent.
Appointments to the board	There is a formal, rigorous and transparent procedure for the appointment of new directors to the board.
	There is a nomination committee, which leads the process for board appointments and makes recommendations to the board. A majority of members on the nomination committee are independent non-executive directors.
	Non-executive directors are appointed for specified terms. Any terms beyond six years are subject to rigorous review.
Commitment of the Board	All directors are able to allocate sufficient time to the company to discharge their responsibilities effectively.
	The board does not agree to a full time executive director taking on more than one non-executive directorship in neither a DSE or CSE listed company or the chairmanship of such a company.
Development of Knowledge & Skill	All directors receive induction on joining the board and regularly update and refresh their skills and knowledge.

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.
Constructive use of the AGM	The Board uses the AGM to communicate with investors and encourage their participation.
	Notice of the AGM and related papers are sent to shareholders at least 20 working days before the meeting.
	The Chairmen of the key sub-committees (audit, remuneration) are available to answer questions and all directors attend.
	Shareholders are able to vote separately on each substantially separate issue.
	The Bank counts all proxies and announce proxy votes for and against on all votes on a show of hands.

Board of Directors, Chairman and CEO

Board of Directors

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

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

Nomination Committee

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

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

Policy on appointment of Directors

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

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives

that may be desirable to permit the Board to execute its functions;

- Identify any competencies not adequately represented and agree to the process necessary to be assured that a candidate nominated by the shareholders with those competencies is selected;
- The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, Bank Companies Act 1991 (amended in 2013) and the Articles of Standard Bank Limited;
- The CEO & Managing Director is appointed by the Board subject to the consent of the shareholders in the Annual General Meeting (AGM) and approval of Bangladesh Bank;
- Any change in the members of the Board requires intimation to the Bangladesh Bank, all scheduled banks and Financial Institutions (FIs), Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges.

Board Induction

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

Adequate number of Independent Directors in the Board and their independence

As per the revised Corporate Governance Guideline of Bangladesh Securities and Exchange Commission (BSEC), at least one-fifth of the total directors of the Board shall be Independent Directors. Thus, in compliance with the guideline, three (03) Directors out of the total fifteen (15) 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 three 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 assess the size and structure of the Board and the mix of knowledge, skills, experience and perceptions that may be necessary to allow the Board to perform proficiently.
- Recognize any capabilities not sufficiently represented and approve the procedure necessary to be certain that an applicant designated by the shareholders with those capabilities is nominated.
- Casual posts, if any, are filled up by the Board in accordance with the conditions in the Companies Act and Articles of the Company.

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

Retirement and Re-election of Directors

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

election at shareholders meeting.

Criteria for Appointment of Independent Director

As per Bank Companies Act (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/CMRRCD/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 three independent directors are Mr. S. S. Nizamuddin Ahmed, Mr. Najmul Huq Chowdhury and Mr. Md. Nazmas Salehin. The Board of Standard Bank affirms that the Independent Directors appointed by the Board are in compliance with the clauses of corporate governance guidelines released by the BSEC on Independent Directors.

Independent Director's independence

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

Role and Responsibilities of the Board

The Standard Bank Board is responsible for the periodic review and approval of the overall strategies, business and significant policies of the Bank. The Board also sets the Bank's core values, adopts proper standards to ensure that the Bank operates with integrity, and complies with the relevant rules and regulations. The Board's responsibilities are, but are not limited to:

- Reviewing and approving the strategies and business plans for the Bank.
- Approving the Bank's annual budget and carrying out periodic review of the achievements by the various operating divisions against their respective business targets.
- Prescribing the minimum standards and establishing policies on the management of credit risks and other key areas of the Bank's operations.
- Ensuring that the operating infrastructure, systems of

control, systems for risk identification and management, financial and operational controls, are in place and properly implemented.

- Reviewing the adequacy and integrity of the Bank's internal control systems.
- Overseeing the conduct and performance of the Bank's businesses.
- Reviewing succession planning and talent management plans for the Bank and approving the appointment and compensation of senior management staff.
- Approving changes in the corporate organization structure.
- Approving policies relating to corporate branding, public relations, investor relations and shareholder communication program.

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

Board of Directors' Right to access to relevant information and confidentiality according to Code of Conduct

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

The Code of Conduct states

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

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

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

Directors' Remuneration

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

Chairman of the Board

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

Role and Responsibilities of the Chairman

The role and responsibilities of the Chairman are:

- As the Chairman of the Board of Directors (or Chairman of any Committee formed by the Board of Directors) does not personally possess the jurisdiction to apply policy making or executive authority, he shall not participate in or interfere into the administration or operational and routine affairs of the bank.
- The Chairman may conduct on-site inspection of any branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, he shall take necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised by the Bangladesh Bank through the Board along with the statement of the CEO.

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

Bank and BSEC's notification on Corporate Governance Guidelines.

Independence of the Chairman of all Board Committees

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

Chairman and CEO

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

Non-executive Director's independence

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

Policy on training of Board of Directors

Standard Bank is fully committed to maintain highest standards of Corporate Governance & professionalism in driving the Bank's progress on the principles of transparency and openness. For this purpose, training at home and abroad especially on the Corporate Governance is encouraged by the Board. As such, whenever opportunities arise, bank utilizes the same to train and orient its members. Last year, few Directors along with the Chairman attended a workshop titled "Revisiting Corporate Governance Regulations for Banks in Bangladesh" organized by Bangladesh Bank in association with IFC. Besides, the Board of Directors 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.

Report of the Board of Directors regarding Conflicts of Interest

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

Related Party Disclosure

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

Directors and Close relatives are not involved in any purchase

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

Annual Evaluation of the CEO by the Board

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

The CEO is also evaluated on an annual basis and is also given KPI's for the years ahead. The Board has the capability to evalu-

ate the CEO whenever it wishes so. All CEOs are evaluated after their term, and on the basis of their evaluation, reappointment for another term is considered by the Board.

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

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

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

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

Role and Responsibilities of the CEO

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

- 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.
- 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.
- 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.

- 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.
- 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.
- 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.

Disclosure regarding compliance of ICSB Secretarial Standard

Institute of Chartered Secretaries of Bangladesh (ICSB) has so far issued 4 (Four) Secretarial Standards in Bangladesh which are (i) Secretarial Standard on meetings of the Board of Directors, (ii) Secretarial Standard on General Meetings, (iii) Secretarial Standard on Minutes and (iv) Secretarial Standard on Dividend. As a listed banking organization, Standard Bank Limited has been meticulously following all of the afore-said standards of ICSB.

Vision, Mission and Strategy approved by the Board

Vision/Mission approved by Directors

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

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

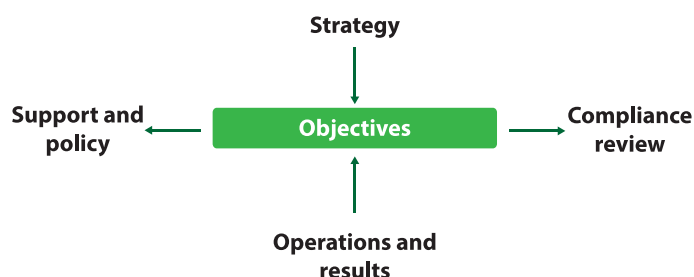
Strategies to achieve the business objectives

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

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.

Reporting of Internal Auditor (ICC & Internal Audit) to the Audit Committee

The Internal Auditor of the Bank regularly reports to the Audit Committee of the Board in compliance Bangladesh Bank's BRPD Circular no.11 dated 27 October 2013 and Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance dated 07 August 2012. The details of the reporting activity have been furnished in separate section namely "Report of the Audit Committee".

Head of Internal Audit's access in the Audit Committee

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

Terms of Reference

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

1.0 Purpose

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

1. Oversight of the financial reporting process.
2. Monitoring choice of accounting policies and principles.

3. Monitoring Internal Control Risk management process.
4. Oversight of hiring and performance of external auditors.
5. Review along with the management, the annual financial statements before submission to the board for approval.
6. Review along with the management, the quarterly and
7. Review the adequacy of internal audit function.
8. Review statement of significant related party transactions submitted by the management.
9. Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.
10. The financial reporting and narrative reporting of the Bank
11. The effectiveness of the internal controls and the risk management framework
12. Whistle blowing
13. Internal audit process
14. 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.

Adverse Remarks of Auditors' Report

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

Separate Internal Audit Department Disclosure

There is a separate section in annual report namely Report of the Audit Committee where there is detailed disclosure on the activities of the Audit Department during 2017.

Written Policy of Internal Auditor

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

Standards of Internal Control

- To review the arrangements of the Bank's systems of internal controls in relation to financial management, compliance with laws and regulations and safeguarding of assets, and the procedures for monitoring the effectiveness of such controls
- To monitor any significant deficiencies and material weaknesses in internal controls and disclosure controls and procedures, as reported by Internal Audit and the External Auditor, and the implementation by management of appropriate remedial action



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

- Review the corrective measures taken by the management as regards the reports relating to fraud-forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the Board on a regular basis

The Group's Relationship with its External Auditors

- Make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, on the appointment, reappointment and removal of the external auditor. The Audit Committee shall oversee the process for selecting the external auditor
- Oversee the relationship with the external auditor, including:
 - a) Approving the terms of engagement (and the engagement letter) of the external auditor, including the remuneration to be paid
 - b) Assessing the external auditor's effectiveness, independence and objectivity, ensuring that key partners are rotated at appropriate intervals
 - c) Agreeing the policy for, and where required by that policy, approving the provision of non-audit services by the external auditor and the related remuneration
 - d) Agreeing with the Board a policy on the employment of former employees of the Bank's auditor, and monitoring the implementation of this policy
- Review and approve the annual audit plan, and ensure that it is consistent with the scope of the audit engagement, and coordinated with the activities of the Internal Audit function
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements
- Review the findings of the audit with the external auditor, considering the external auditor's management letter and management's responsiveness to the auditor's findings and recommendations
- Review reports prepared by the external auditor as the Audit Committee shall require, considering management's response to any major external audit recommendations
- Review annually and report to the Board on the qualification, expertise and resources, and independence of the external auditors and the effectiveness of the audit process, with a recommendation on whether to propose to the shareholders that the external auditor be re-appointed. The assessment should cover all aspects of the audit service provided by the audit firm, and include obtaining a reporting on the audit firm's own internal quality control procedures and consideration of the audit firm's annual transparency report where available
- Ensure that the Audit Committee section of the annual report should include an explanation of how the

Committee has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, including length of term

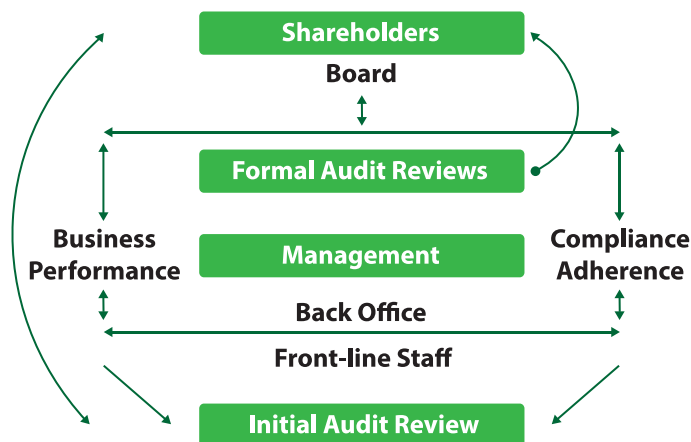
- Review the audit representation letters before signature, giving particular consideration to any non-standard issues within the representations.

Other Responsibilities

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

Audit committee's review on internal controls

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



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

cable 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 recommends the Board concerning implementation of the selected accounting guidelines. The Board subsequently accepts the selected accounting policies for implementation.

Audit committee's involvement in the review of annual and interim financial reports

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

Reliability of management information used for computation in financials

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

Internal Control

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

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

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

Performance objectives for internal controls pertain to the effectiveness and efficiency of the Bank in using its assets and other resources and protecting the bank from loss. Information objectives address the preparation of timely, reliable, relevant reports needed for decision-making within the banking organization. They also address the need for reliable annual accounts, other financial statements and other financial-related disclosures and reports to shareholders, supervisors, and other external parties.

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

Director's responsibility to establish appropriate system of internal control

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

Key features of Internal Control System and the manner in which the system is monitored

Key features of Internal Control System are as follows:

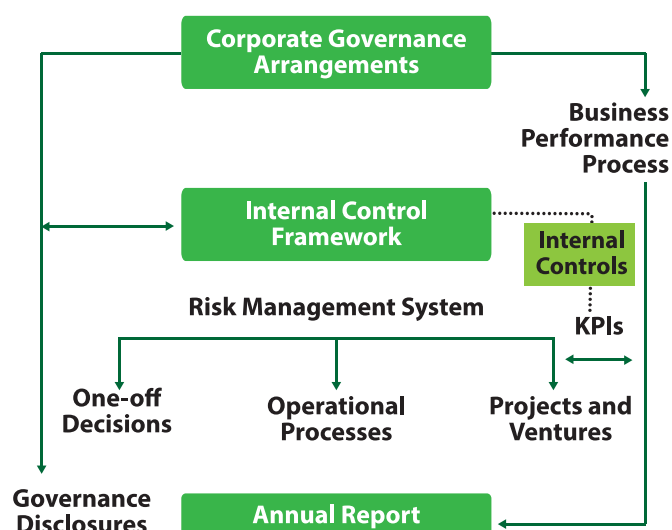
1. Management oversight and the control culture
2. Risk recognition and assessment
3. Control activities and segregation of duties
4. Information and communication
5. Monitoring activities and correcting deficiencies

Management oversight and the control culture

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

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

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



business dealings, both inside and outside the organization.

Risk recognition and assessment

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

Control activities and segregation of duties

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

Information and communication

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

Monitoring activities and correcting deficiencies

The overall effectiveness of the Bank's internal controls should be monitored on an ongoing basis. Monitoring of key risks should be part of the daily activities of the bank as well as periodic evaluations by the business lines and internal audit. The Board of Directors of Standard Bank performs the following activities to monitor the Internal Control System:

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

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

Senior management of Standard Bank develops processes that identify, measure, monitor and control risks incurred by the Bank; maintains an organizational structure that clearly assigns responsibility, authority and reporting relationships;

ensures that delegated responsibilities are being carried out effectively; sets appropriate internal control policies; and monitors the adequacy and effectiveness of the internal control system. They ensure proper control through techniques such as top level reviews, activity controls, physical controls, compliance with exposure limit, approvals & authorizations and verification & reconciliation of transactions of the Bank.

Review of the adequacy of the system of internal controls by Directors

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

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

Identification of risks to which SBL is exposed internally and externally

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

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

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

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

Strategies adopted to manage and mitigate the risks

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

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

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

Ethics and Compliance

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

The Bank has an 'Employee Code of Ethics and Business Conduct' – a framework of ethical behavior for all the employees of the organization.

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

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

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

- Is convicted of any offence involving moral turpitude; or
- Is corrupt or may reasonably be considered to be corrupt; or
- Assumes a style of living beyond his/her ostensible means; or
- Is engaged or is reasonably suspected of being engaged in subversive activities, or is reasonably suspected of being associated with others engaged in subversive activities, and whose retention in service is therefore considered

prejudicial to national security; or

- Is in possession of pecuniary resources or property disproportionate to his/her known sources of income etc.

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

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

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

Integrity

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

Conflict of interest

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

Compliance with the laws and regulations

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

Communication of the statement of ethics & business practices

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

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

The Board's commitment to establishing high level of ethics and compliance within the organization

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

Whistle blowing

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

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

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

Remuneration Committee

Composition and Charter

Standard Bank Ltd. has a Management Committee which comprises 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 communication with shareholders and other stakeholders

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

The Directors appreciate the importance of general shareholders of the Bank and use the Bank's AGM as further opportunities to communicate with them. SBL provides copies of the annual report in order that these are made available to them well in advance for detail and constructive discussion. It is

the company's policy to give the shareholders the opportunity to ask questions about its activities and prospects at the AGM. The Board also structures these meetings so that shareholders can vote separately on each matter, by proposing separate resolutions for each item to be considered.

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

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

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

Foreign and Local Investors' Disclosure

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

Investors' Relation Desk (Officers' Name)

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

10% Above Shareholding Name Details

As of December 31, 2017, there is no individual shareholder in the shareholding of the Bank having ownership of 10% or more shareholding.

Information Circulation on Unclaimed Dividend

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

Employee Participation in the Management

The Board of Directors of Standard Bank Limited is involved only in the policy-making functions of the Bank. The day-to-day operations of the Bank are carried out by the Management. Therefore, there

are different management level committees in the bank namely Management Committee, Management Credit Committee, Asset Liability Management Committee, Management Level Risk Management Committee and so on. Each of these committees has clearly specified terms of references.

Vendor Payment in Time

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

Government Tax Pending

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

Environmental and Social Obligation

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

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

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

SBL has always been committed to the environment and also been active in social activities throughout the year 2017, 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. 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 269th meeting of the Board of Directors held on 13.02.2017 by including of newly appointed Independent Director Mr. Md. Nazmus Salehin for the rest period of the term. Thus the committee stands as follows;

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification	Meeting/ Attendance
01	Mr. S. S. Nizamuddin Ahmed	Independent Director	Chairman	M.Com	6/6
02	Mr. Kamal Mostafa Chowdhury	Director	Member	B.A(Hon's)	6/5
03	ICB Represented by its MD Mr. Kazi Sanaul Hoq	Director	Member	M.Com	6/4
04	Mr. Najmul Huq Chaudhury	Independent Director	Member	M.Com	6/5
05	Mr. Md. Nazmus Salehin	Independent Director	Member	M.Sc.	6/5
06	Mr. Md. Ali Reza	Acting Company Secretary	Member Secretary	MBA, FCMA	6/6

Meetings of the Audit Committee

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of SBL held 06 (Six) meetings in the year 2017 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	77th Audit Committee Meeting	23 February, 2017
02	78th Audit Committee Meeting	21 March, 2017
03	79th Audit Committee Meeting	27 April, 2017
04	80th Audit Committee Meeting	09 May, 2017
05	81st Audit Committee Meeting	20 July, 2017
06	82nd Audit Committee Meeting	26 October, 2017

Major areas focused by Audit Committee in 2017

The major issues, amongst others, were reviewed and discussed by the Audit Committee of the Bank during the year 2017 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 2018' and 'Risk Based Audit Plan 2018' 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 2016 & 2017.
- Review of the audit ratings of all branches and departments for the year 2017.
- 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 2017 as certified by the external auditors, M/S Khan Wahab Shafique Rahman

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

- Review of Bangladesh Bank's BRPD Circular No. 4 dated 23 February 2015 on the Rules and Regulations in making transactions with people related with Board and Management of the Bank.
- Review of Corporate Governance Compliance Report of SBL for the year ended 31 December 2016 as submitted by Ahmad Zaker & Co., Chartered Accountants.
- Review of the Management Report on the Bank for the year ended 31 December 2016 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 2017 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 2016 and subsequent compliance by the management thereof.
- Review of AML rating of all Branches for the year 2016 & 2017.
- Review of compliance and related risk level of Branches, various Departments and Subsidiaries.
- Review of Annual Report on the Financial Health of the Bank, 2016.

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.

ij) 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 2017, to the best of their ability.

vi) Statement on ensuring compliance with Laws and Regulations

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

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

- a) Reviews effectiveness of the system of monitoring compliance with the laws and regulations upon receiving investigations reports which are again followed up for regularization through appropriate actions including

disciplinary ones, where warranted.

- b) Establishes procedures for:
 - i) The receipt, retention, and treatment of the complaints by the Bank regarding accounting, internal controls or auditing matters; and
 - ii) The confidential and anonymous submission by the employees of the Bank of any concerns regarding questionable accounting or auditing matters.
- c) Reviews the findings of the examination by the regulatory agencies or other auditors.
- d) Reviews the process for communicating code of conduct to the Bank personnel and monitoring compliance therewith.
- e) Obtains regular updates from the Management and Bank's legal counsel regarding compliance matters.

The Audit Committee is satisfied that:

- The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
- Internal control and security measures have been undertaken by the Bank towards facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- The system of internal control and the business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- The efforts have been made to keep assets of the Bank safe along with liabilities and commitments are made transparent.
- The Financial Statements of the Bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Bank's guideline which contained full disclosure.

The Minutes of the Audit Committee meetings containing various advices, suggestions and recommendations to the Management and for perusal, consideration and approval of the Board of directors placed subsequently in the meetings of the Board of directors for ratification and approval on regular basis.

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

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

On behalf of the Audit Committee,



S. S. Nizamuddin Ahmed

Chairman of the Audit Committee of the Board

DIRECTORS' STATEMENT ON INTERNAL CONTROL

Responsibility

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

Significant Internal Control Processes

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

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

internal control issues identified by the Internal Audit Division, the external auditors, regulatory authorities and management; and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit function with particular emphasis on the scope of audits and quality of the same. The minutes of the Audit Committee meetings are tabled for the information of the Board on a periodic basis. Further details of the activities undertaken by the Audit Committee of the Company are set out in the Audit Committee Report.

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

Confirmation

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

REPORT OF THE RISK MANAGEMENT COMMITTEE

In compliance with the Sub-section (3) of Section 15Kha of the Bank-Company Act-1991, (Amended-2013) and the subsequent BRPD Circular No. 11, dated 27 October, 2013 issued by Bangladesh Bank, the Board of Directors of Standard Bank Ltd has formed a committee named 'Risk Management Committee of the Board' by its 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	Attendance/ Meeting
01	Mr. Kazi Akramuddin Ahmed	Chairman	Chairman	3/3
02	Mr. Mohammed Abdul Aziz	V ice Chairman	Member	3/3
03	Mr. Monzurul Alam	Director	Member	0/3
04	Mr. S.A.M. Hossain	Director	Member	3/3
05	Mr. Al-haj Mohd. Yousuf Chowdhury	Director	Member	2/3
06	Mr. Mamun-Ur-Rashid	Managing Director	Ex-officio Member	3/3
07	Mr. Md. Ali Reza FCMA	Acting Secretary	Secretary	3/3

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

Qualifications of the Members:

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 2017:

During the year 2017, 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. Present Status of Capital to Risk Weighted Assets Ratio (CRAR) of our Bank under Basel-III
2. Summary of 'Comprehensive Risk Management Report' of Standard Bank Ltd based on 31/03/2017.

3. Comparative Review between Internal Capital Adequacy Assessment Process (ICAAP) Reports of the Bank for the years 2015 and 2016 under Supervisory Review Process (SRP) of Basel-III.
4. Comprehensive Risk Management Rating of Standard Bank Ltd.
5. Scenario Analysis of Pillar-I through Capital to Risk Weighted Assets Ratio (CRAR) under Basel-III of Standard Bank Ltd and Banking Industry
6. Summary of 'Comprehensive Risk Management Report' of Standard Bank Ltd based on 30/06/2017.
7. Implementation Status of Supervisory Review Process (SRP) through Internal Capital Adequacy Assessment Process (ICAAP) Reports under Basel-III.
8. Comprehensive Risk Management Rating of Standard Bank Ltd based on 31.12.2016.
9. Information regarding Minimum Capital Requirement under Pillar-1 of Basel-III based on 30.09.2017 of Standard Bank Ltd.
10. Summary of 'Comprehensive Risk Management Report' of Standard Bank Ltd based on 30/09/2017.
11. Analysis of Stress Testing Report of Standard Bank Limited based on 30/09/2017.
12. Advised the management to improve asset quality by taking pragmatic steps. A balance between the growth of asset and capital be maintained to improve the CRAR.
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 large loans of the Bank be closely and regularly monitored to ensure that they continue to be performing.
20. 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.

21. Reviewed Stress Testing reports and endorsed the same for onward submission to the Bangladesh Bank.

Reporting to the Board

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

Minutes of the Risk Management Committee to Bangladesh Bank

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

Meetings of the Risk Management Committee of the Board:

According to Bank Company Act-1991 (Amended- 2013) and BRPD Circular No. 11, dated 27 October, 2013 of Bangladesh Bank, the Risk Management Committee of the Board held 03 (three) meetings during the year 2017. Meeting dates are as follows:

SL No	Meetings	Date of Meeting
01	9th Risk Management Committee Meeting-2017	21.06.2017
02	10th Risk Management Committee Meeting-2017	16.10.2017
03	11th Risk Management Committee Meeting-2017	29.11.2017

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 125 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	Designa-tion	Description
1	Janab Kazi Akram Uddin Ah-med	Chairman	Honorable Chairman, Standard Bank Ltd.
2	Janab Hafiz Kazi Muhammad Ibrahim	Member	Head Mohaddis, Hadis Department, JameahQasemiahKamil (MA) Madrasa. Gabtauli, Norsinghdi.
3	Janab Kazi Khurram Ahmed	Member	Honorary Consul of Gambia in Dhaka, Bangladesh Chairman & Managing Di-rector, EMX Limited
4	Janab Dr. Muhammad Saifullah	Member	Islamic Scholar & Associate Professor, Dept. of Islamic Stud-ies, Asian Universi-ty of Bangladesh
5	Janab Md. Ali Reza	Member Secretary	Acting Company Secretary, Standard Bank Ltd

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

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.

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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession. b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter. c. He is not a tax defaulter. 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: <ul style="list-style-type: none"> a. In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration. 	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 ap-proval of the BoD. After such appointment the bank shall send the Consult-ant'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 unfin-ished 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 re-port 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 ap-ointment 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 Excahnge Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969):

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 31.12.2017, the Board of Directors consists of 16 (sixteen) members including 03 (three) Independent Directors, which is compliance with the conditions imposed by the Bangladesh Securities and Excahnge Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012
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 memebbers 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 actuarial 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 BSE and include in the Annual Report	√		
7(ii)	Directors statement in the director's report whether the company has complied with these conditions	√		



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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Certificate on Compliance with Conditions of Corporate Governance Guidelines to the Shareholders of Standard Bank Limited

We have been engaged by Standard Bank Limited (the "Bank") to certify whether the Bank has complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission ("BSEC") in accordance with the condition no. 7 in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 and subsequent amendment SEC/CMRRCD/2006-158/147/Admin/48 dated 21st July, 2013 as at 31st December, 2017.

The Bank's Responsibilities

Those charged with governance and management of the Bank are responsible for complying with the conditions of corporate governance guidelines as stipulated in the aforesaid notifications. Those charged with the governance of the bank are also responsible for reporting in the directors' report whether the Bank has complied with the conditions of corporate governance guidelines.

Our Responsibilities

Our responsibility is to comply with the ethical and independence requirements, to examine the Bank's status of compliance with the conditions of corporate governance and to certify thereon. Our examination for the purpose of issuing this certificate were limited to the checking of the procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of corporate governance and appropriate reporting of compliance status in the attached statement on the basis of evidence obtained and representations received.

Conclusion

To the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of corporate governance guidelines stipulated in the above mentioned BSEC notifications and reported thereon.

Md. Abdus Satter Sarkar, FCMA, FCA
Partner
For Mahfel Huq & Co.
Chartered Accountants

Dhaka, April 16, 2018

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 2017. These statements prepared under the historical cost convention and in accordance with the First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws and rules applicable in Bangladesh. The Accounting Policies used in the preparation of the financial statements are appropriate and are consistently applied by the Bank (material departures, if any, have been disclosed and explained in the notes to the financial statements). There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation. The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our external auditors and the audit committee. The Board of Directors and the Management of the bank accept responsibility for the integrity and objectivity of these financial statements. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant areas where estimates and judgments have been made are on provision for loans and advances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Our internal auditors have conducted periodic

audits to provide reasonable assurance that the established policies and procedures of the bank were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting. The financial statements of the bank were audited by Khan Wahab Shafique Rahman & 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 2017 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. Tariqul Azam, AMD	Chairman
2	Mr. Md. Motaleb Hossain, DMD	Co-Chairman
3	Head of Law & Recovery Division	Member
4	Head of Credit Division-1	Member
5	Head of Credit Division-2	Member
6	Head of ID	Member
7	Chief Financial Officer (CFO)	Member
8	Head of SME	Member
9	Head of Rural & Agri Credit	Member
10	Mr. Tapas Kumar Mandal, SAVP	Member Secretary

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

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

Usually Credit Division place Credit Memorandum to Management Credit Committee (MCC) for the credit proposals of Tk. 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 REMUNERATION COMMITTEE

Compensation Review Committee-2017

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 Hosssain	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.

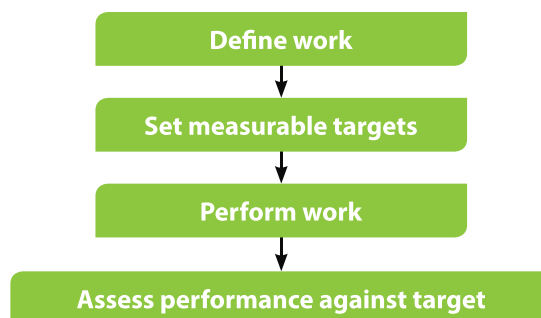
Benefits and Other Facilities:

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 2017, total number of promoted employees of SBL to next higher grade is 422 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 152789 Million to BDT 175,699 Million, achieving a growth of 15% over last year. The Bank achieved 22% growth in investment with a total investment portfolio of Tk. 128,228 million in 2017 compared to Tk. 105,039 million in 2016. Import business of the Bank stood at Tk.66,510 million in 2016 with 16% growth over the previous year Tk. 55,491 million, while Export business of the Bank stood at Tk. 43,807 million in 2016 which is declined 11% than that of previous year Tk. 38,506 million. Consolidated Operating Revenue for the year 2017 amounted to BDT 6,526 Million which is 4.17% higher than last year's BDT 6,102 Million. All through the year 2017 the interest rate was in a declining state, the Net Interest of Standard Bank Ltd. decrease by 8.81% over last year. Consolidated Net Interest for the year 2017 amounted to BDT 2,998 Million compared to BDT 3,276 Million of 2016.

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 2017 indicate a very positive picture as evident from financial highlights and graphical presentation of financial position given separately in this annual report. Financial ratios indicate Standard Bank Ltd's sound financial strength and good prospects.

Positive Cash Flow

SBL's cash flow analysis represents its strengths about its ability to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents which will lead the organization to a sustainable future growth. Consolidated Operating Cash Flow before changes in operating assets and liabilities in 2017. Net Operating Cash Flow after changes in operating assets and liabilities shows impressive growth net inflow of BDT 668 Million which was BDT 299 million in previous year.

Business Expansion

SBL has expanded its segment geographically by opening new branches in different places considering the economic significance. In 2017 Standard Bank Ltd. opened 10 new branches and initiatives have been taken to open 10 new branches in 2018 at different places in Bangladesh

and 01 overseas branch at Jeddah in KSA. As on 31 December 2017, Standard Bank Ltd. has 125 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 2017, Loans and Advances has increased by 22% and Term Deposit has increased by nearly 10% compared to that of 2016. 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 2017 Consolidated Capital Adequacy Ratio (CAR) of Standard Bank Ltd. is 13.96 %. To meet up the compliance of BASEL-III deadline, Standard Bank Limited is issued another "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT" for total BDT 600.00 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 2017 with "AA" in the long term and ST-2 for the Short Term based on audited financial statements of 2016 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



Practicing sound risk management is crucial for banking sector. As also clearly pointed out in the OECD's sixth peer review based on the OECD Principles of Corporate Governance, it is now admitted on all hands that sound enterprise risk management presupposes sound corporate governance practice in banking organizations in particular. In recognition of this, Basel Committee on Banking Supervision (BCBS) cited Risk Management function as its 6th principle in its Guidelines on Corporate Governance Principles for Banks. To quote the Principle 6: "Banks should have an effective independent risk management function, under the direction of a chief risk officer (CRO), with sufficient stature, independence, resources and access to the board".

In view of the above, Bangladesh Bank, in its timely circular DOS Circular Letter No. 13 dated 09 September 2015, instructed the scheduled commercial banks to appoint a Chief Risk Officer (CRO) from at least the AMD/DMD level who is not in-charge of the Internal Control and Compliance (ICC) department. The said circular also recommended banks to prepare a Board-approved organogram of the risk management division (RMD) ensuring the use of information technology along with the appointment of adequate and skilled manpower. Besides,

the RMD has also been entrusted with the responsibility of monitoring implementation of required corrective action, related to objections revealed in the inspections conducted on the basis of the core risk management guidelines. In view of the gravity and importance of oversight of bank-wide risk management, Standard Bank Limited has already put in place an independent Risk Management Division approved by its Board of Directors under the direct supervision of Chief Risk Officer, who is accountable to the Risk Management Committee of the Board. In line with the said circular, the Bank has also put in place 6 (Six) nos. of desks for oversight of 6 (Six) core risk areas of the bank and 2 (Two) more desks for capital management and stress testing exercise. Besides, the Bank has also been following the Phase-in arrangements for Basel III implementation in Bangladesh as per Bangladesh Bank BRPD Circular no.-18 dated December 21, 2014. The Bank has already developed its "Comprehensive Risk Management Policy Guidelines" in light of "Risk Management Guidelines for Banks" issued by Department of Off-site Supervision of Bangladesh Bank (BB) for integrated, bank-wide approach to risk management. This guideline is treated as supplement to, and not a substitute for, existing core risk guidelines.

Risk simply means the unexpected situation or the deviation of the expected outcome. It is an inherent part of any business operation. It may arise from internal faults or from external factors affecting adverse result in the said business or downgrading of the image of the institution. In banking business, risk factors are generally exposed to its lending and trade-service business and other operational activities. Banks need to meet forthcoming regulatory requirements for risk measurement and mitigation thereof by arrangement of capital and provisions. However, to meet the regulatory requirements is not enough. A sound and scientific risk management system should be in place for regular monitoring, performance evaluation and corrective measures. Managing and mitigating such risks are always a prioritized concern of not only the Risk Management Division, but also the entire Management Team of the Bank under the leadership of the Hon'ble Board of Directors of Standard Bank Ltd.

Being a banking organization, Standard Bank Limited is also potentially exposed to the following risks: liquidity risk, credit risk (including residual risk, dilution risk, settlement/delivery risk, and counterparty risk); interest rate risk; foreign exchange risk and other market risks; concentration risk, particularly including risks of exposure of the bank to one person or a group of related persons; bank's investment risks; risks relating to the country of origin of the entity to which a bank is exposed (country risk); operational risk particularly including legal risk; risk of compliance of the bank's operations; risk of money laundering and terrorist financing; and strategic risk. The entire risk profile of the Bank is constantly monitored by the Management under 3 lines of defense framework. The risk profile of the Bank is also quantified in terms of Pillar I and

Pillar II of Basel III framework. Under Pillar I, the Bank assesses its minimum capital requirement against Credit, Market and Operational Risk on quarterly basis and reports the same to Bangladesh Bank. The Bank also quantifies other risk areas as a part of Internal Capital Adequacy Assessment Process under Supervisory Review Process of Pillar II on yearly basis, which is also submitted to Bangladesh Bank. As per the Pillar III of Basel III framework, the Bank has also been making disclosures as per Basel III framework.

The afore-said banking risks are also addressed through proactive enterprise risk management techniques including Key Risk Indicators developed on the basis of Comprehensive Risk Management Guideline of the Bank, Credit Risk Management Guideline, Asset Liability Management Guideline, Foreign Exchange Risk Management Guideline, Internal Control and Compliance Guideline, Money Laundering & Terrorist Financing Risk Management Guidelines and ICT Security Guideline and other circulars issued by Bangladesh Bank from time to time. Besides, the Bank has also developed its own Risk Appetite Framework, based on which, it sets Risk Appetite Statement on yearly basis with approval of the Hon'ble Board of Directors. The Bank regularly follows up with its Management Action Triggers based on its approved Risk Appetite Statements. In order to ensure that the Bank identifies, monitors and control risks on an ongoing bank-wide and individual entity basis, the Bank has already developed its own risk management framework, risk identification and risk mitigation strategy, which were prepared in light of all the guidelines and circulars issued by Bangladesh Bank from time to time. The upcoming sections of this annual report (namely, Risk Management Framework, Risk Mitigation Strategy, Disclosures on Risk Based Capital based on 31.12.2017, Capital Planning & Management and Statement of Non-Performing Loan) outlines the overall bank-wide and individual entity basis risk management practices followed in the bank, where mitigation of the Banking risks are ensured through proactive risk management activities and proper compliance of the core risk management guidelines of the Bank.

It needs no explanation that in addition to existing risk profiles, banks are always exposed to emerging risks. The Management-level Risk Management Committee of the Bank always deliberates on such emerging risks, oftentimes, with the aid of its internal stress testing framework. As part of its quantitative and qualitative analysis, the bank utilizes stress tests and scenario analyses to better understand potential risk exposures under a variety of adverse circumstances. Stress

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

An effective risk governance framework requires robust communication within the bank about risk, both across the organization and through reporting to the Board and Senior Management. Therefore, the Bank ensures that there prevail ongoing communications about risk issues including the bank's risk strategy throughout the bank as a key tenet of its risk culture. The Management-level Risk Management Committee and the Risk Management Committee of the Board strongly emphasize on promotion of risk awareness and encourage open communication and challenge about risk-taking across the organization as well as vertically to and from the Board and Senior Management.

Standard Bank Limited has already completed its 19 years of journey. The Management and Board of the Bank feel and believe that, with the growth of its business, strengthening its oversight and building a strong risk management structure is a priority. The bank is well aware that its business also carries certain risk elements. Therefore, it has set its risk management policies, risk appetite statement and introduced effective risk assessment procedures, monitoring and oversight in a very methodical and conscious manner in order to control the internal and external risks at an optimum level. It has been able to establish an inherent culture of continuous and gradual improvement. On a final note, we would like to reaffirm our stakeholders that the Bank has always been committed to remaining fully complied and maintaining transparency in risk mitigation so that the Bank can build its business on the concrete foundation of "sustainability".

With Thanks and Best Regards.



Md. Tariqul Azam

Additional Managing Director & Chief Risk Officer

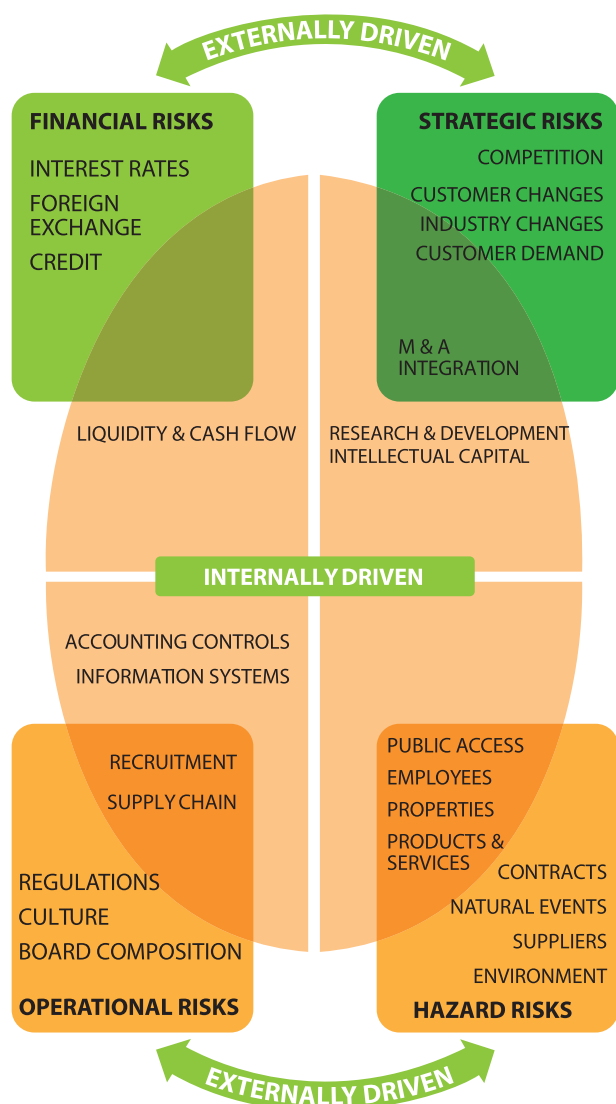
RISK MANAGEMENT FRAMEWORK

Risks are usually defined by the adverse impact on profitability of several distinct sources of uncertainty. Risk Management system is a pro-active action in the present for the future. Business grows mainly by taking risk. It is generally understood that the greater the risk, the higher the profit. Therefore, every bank must strike a balance between the two.

The goal of risk management is ensuring depositors' interest as well as addressing the objectives of the bank's stakeholders including Customers, Management, Employees, Boards of Directors, Shareholders, Supervisors, Rating Agencies, Investors, Creditors and Counter Parties.

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

Key Drivers of Risk



Risk Management Structure

Responsibility for risk management resides at all levels within the Bank starting from the Board of Directors, Risk Management Committee (RMC) and the Executive Committee down through the organization to each business manager and risk specialist. Bank distributes these responsibilities so that risk/return decisions are taken at the most appropriate level; as close as possible to the business and subject to robust and effective review and challenge. The risk management procedures are approved, monitored and mitigated at various stages of the Bank with inputs from the Board of Directors as well as Committees and divisions namely Executive Committee, Audit Committee, Risk Management Committee (RMC), Management Committee (MANCOM), Assets Liability Committees (ALCO), Risk Management Division (RMD), Management Credit Committee (MCC), Internal Control & Compliance Division (ICCD) and Central Compliance Unit (CCU). On an enterprise basis, the Bank's overall risks are reviewed, monitored and supervised by Chief Risk Officer (CRO) of the Bank supported by Risk Management Division (RMD).

Risk Management Strategy

At a strategic level, Bank's risk management objectives are:

- To identify the Bank's material risks.
- To formulate the Bank's Risk Appetite consistent with its overall all risk profile and capital adequacy.
- To optimize risk/return decisions by taking them as closely as possible to the business while establishing strong and independent review and challenge structures.
- To ensure that business growth plans are properly supported by effective risk infrastructure
- To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions.
- To help executives improve the control and coordination of risk taking across the business.

Risk Management Framework:

The primary objective of risk management is ensuring that the outcomes of risk-taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholder returns. The Bank's enterprise wide risk management framework provides the foundation for achieving these goals.

This framework is subject to constant evaluation to ensure that it meets the challenges and requirements of the global markets in which the Bank operates including regulatory standards and industry best practices. The risk management programs of the Bank's subsidiaries conform in all material respects to the Bank's risk management framework, although the actual execution of

their programs may be different. The Bank’s risk management framework is applied on an enterprise wide basis and consists of three key elements:

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

Risk governance:

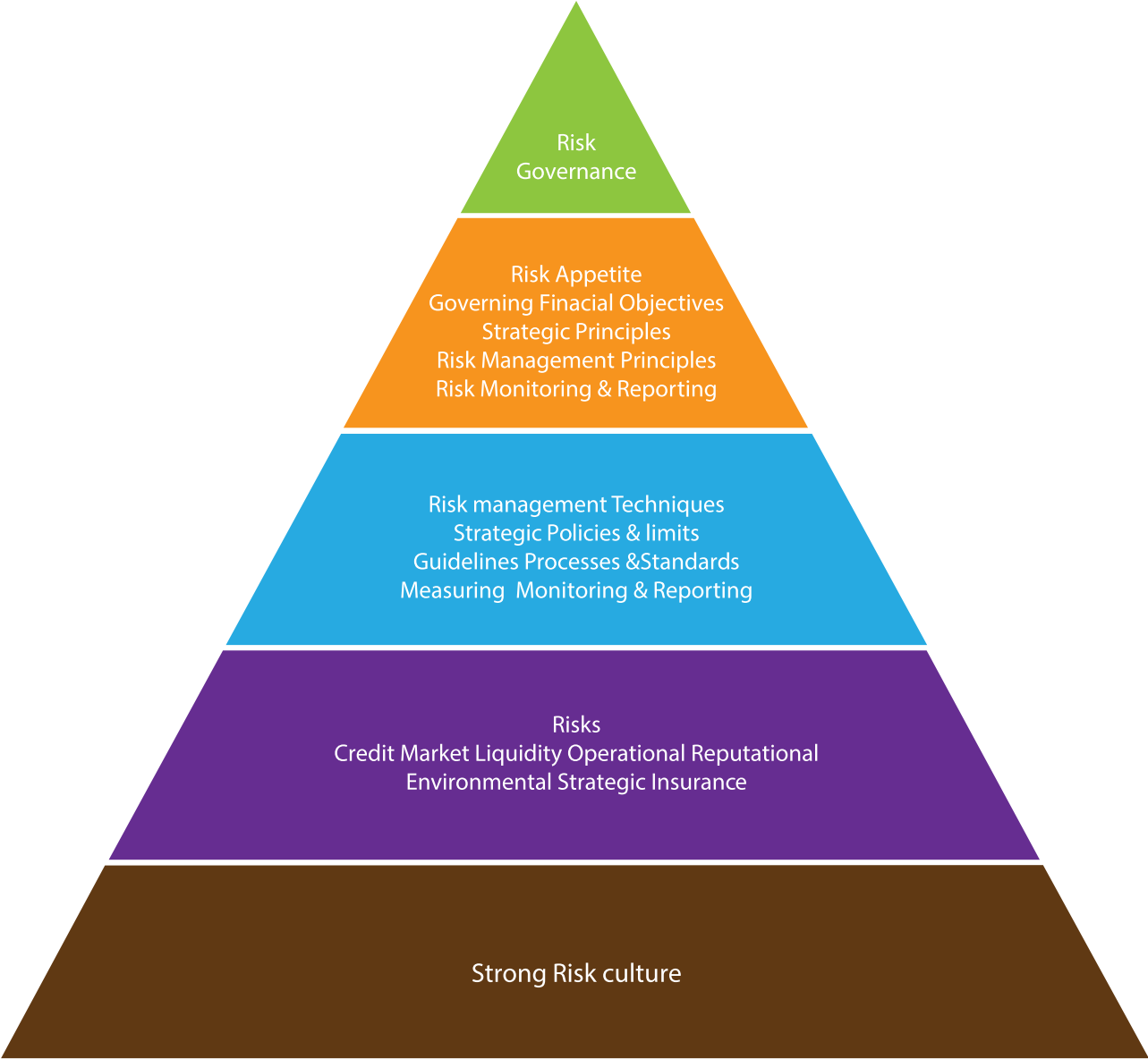
Effective risk management begins with effective risk governance. The Bank has a well-established risk governance structure with an active and engaged Board of Directors supported by an experienced Senior Management Team, that is, independent of the business lines. Decision-making is highly centralized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

The Board of Directors, either directly or through its committee

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

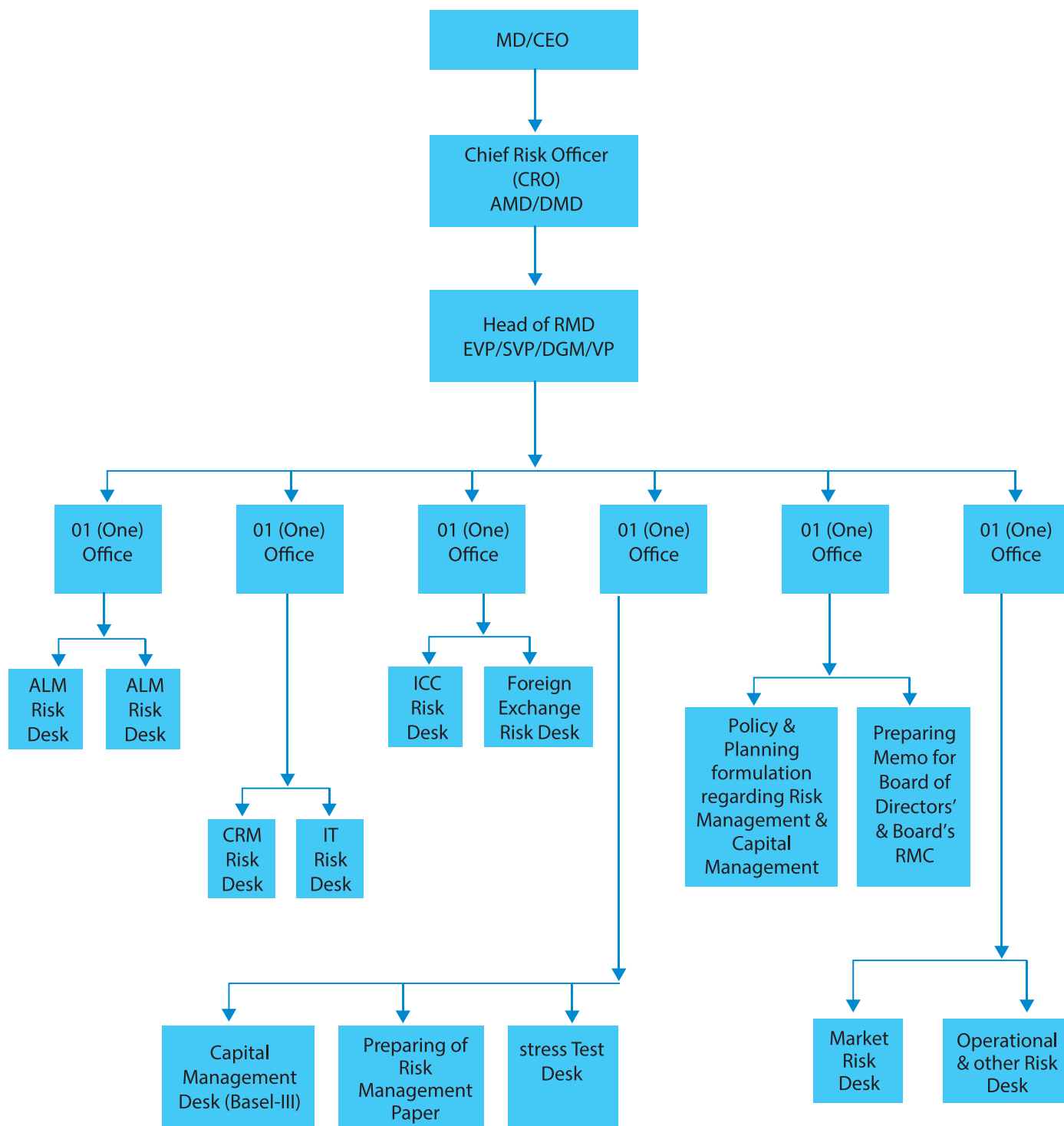
Executive Risk Management Committee:

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



Organogram of Risk Management Division (RMD):

The 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:

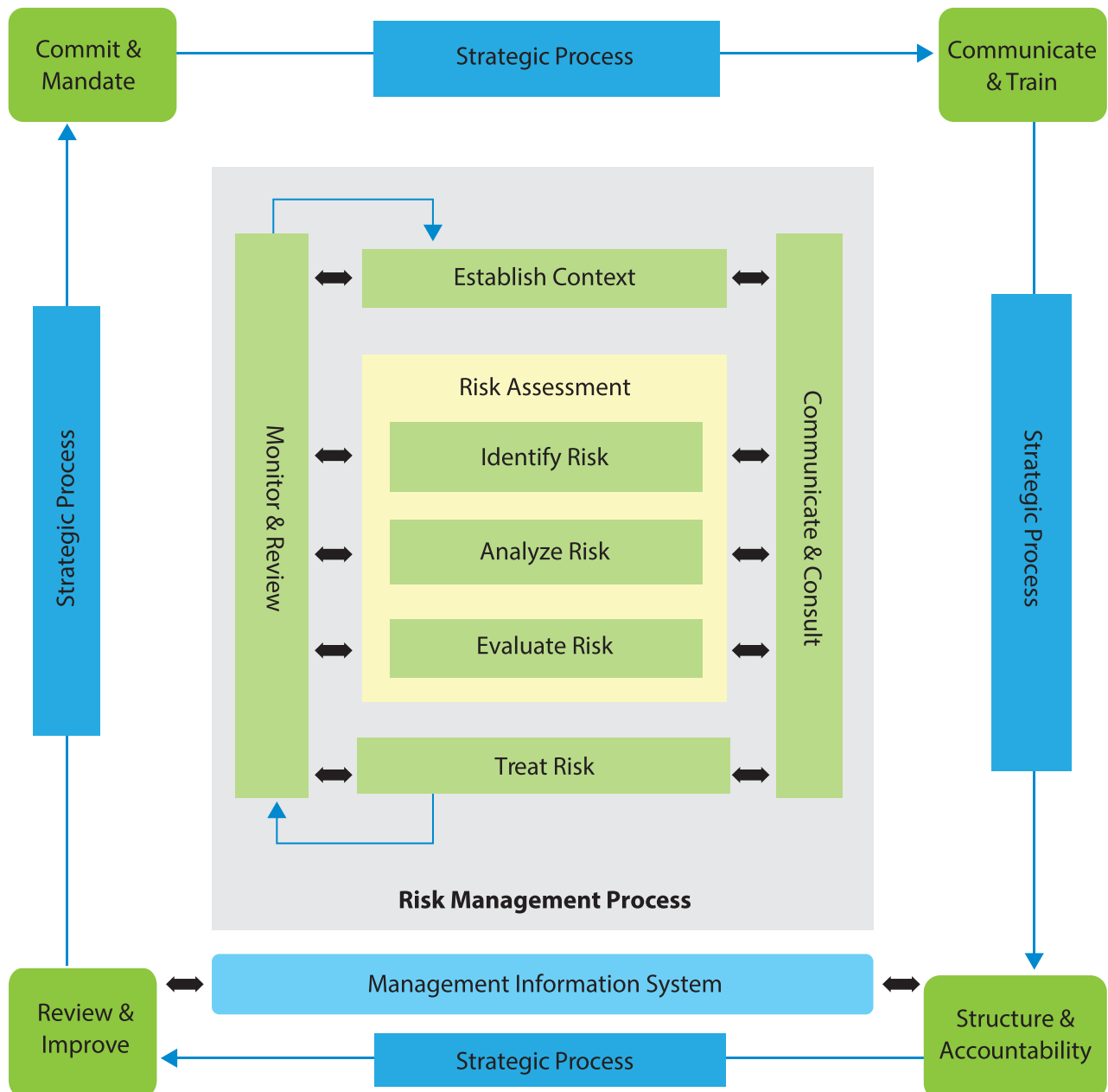
Guidelines ensure that the Bank has the appropriate knowledge of clients, products, and markets and that it fully understands the risks associated with the business it underwrites. Guidelines may change from time to time, due to market or other circumstances. Risk taking outside of guidelines usually 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 (CRMRR)' for the month of June and December and another reporting format namely 'Monthly Risk Management Report (MRMR)' for all other months of the year. In addition to the above issues, the bank also complies with the following instructions of Bangladesh Bank:

- 1) The RMD shall report high-risk related matters identified by the management-level risk committee, directly to the Board risk management committee and shall provide a copy to the Managing Director/Chief Executive officer for 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;

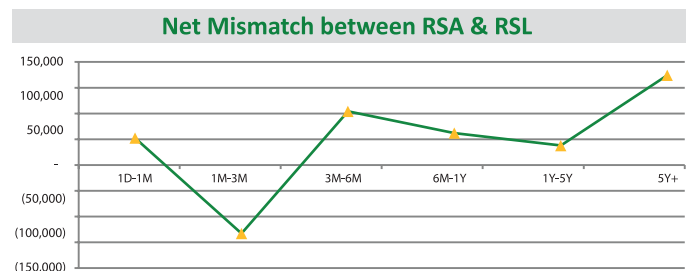
The Bank has segregated duties of the officers/executives involved in credit related activities. Credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed within the credit functions namely Credit Division and Credit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

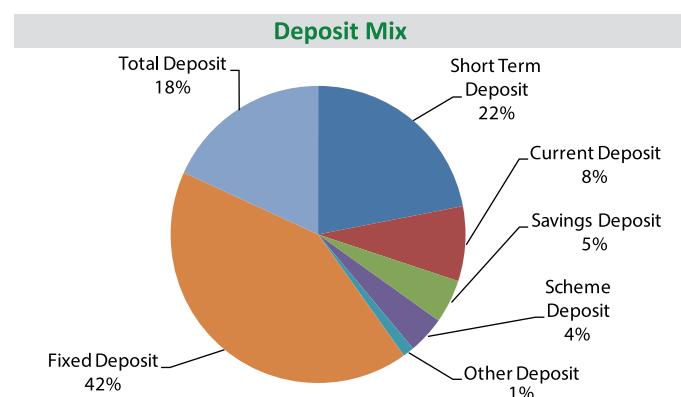
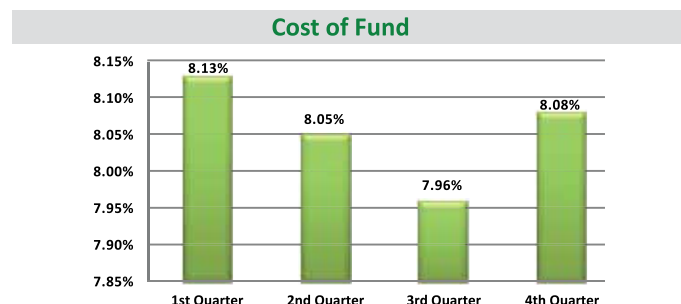
ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same. However, the main functions of the ALCO are:

- 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.



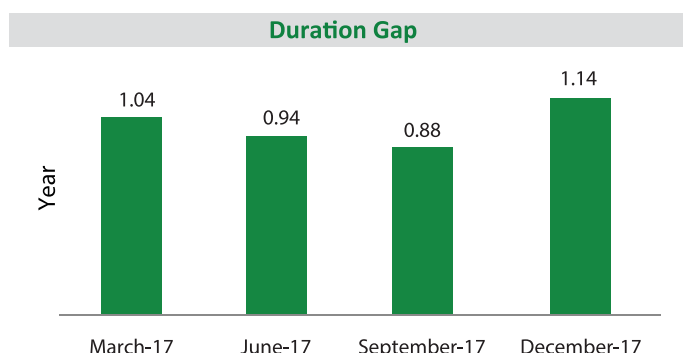
The intensity and sophistication of liquidity risk management

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:

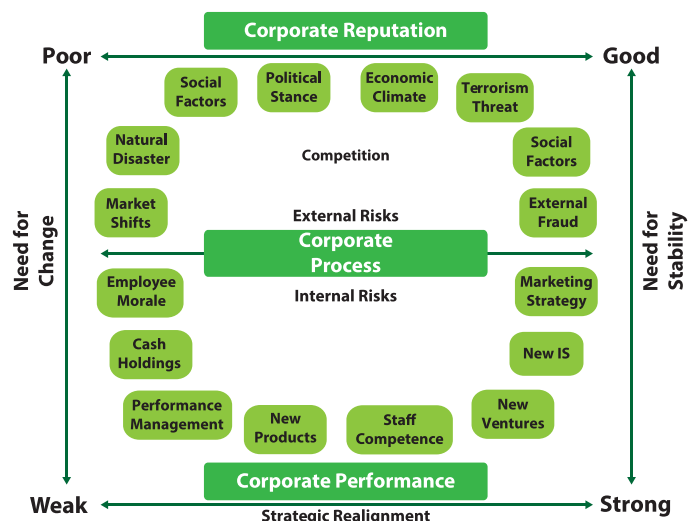
- Intraday Spot Trading Limit.
- Per Deal Limit
- Individual Dealer's Limit
- Forward and Swap Trading Limit
- Overnight Trading Limit
- Open Position Limit
- Per Deal Stop-loss Limit
- Daily Stop Loss Limit
- Trigger Limits
- Limit for Cover Operations
- Corporate Limits
- Off Premises Limit
- After 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.

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.	31.12.2016	1,584.18	11.54%	182.68	10.00%	10.625%
02.	31.12.2017	2,034.58	14.18%	600.15	10.00%	11.250%

Consolidated Basis (With Subsidiaries)

(Taka in Crore)

SI	As on	Capital Maintained	Maintained CRAR (%)	Buffer Capital	Required CRAR	Required CRAR with CCB
01.	31.12.2016	1,588.81	11.38%	167.16	10.00%	10.625%
02.	31.12.2017	2,040.35	13.96%	578.91	10.00%	11.250%

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)	110.13%	≥100.00%
Net stable Funding Ratio (NSFR)	110.46%	>100.00%
Stock of High quality liquid assets	2,742.00	
Total net cash outflows over the next 30 calendar days	2,489.44	
Available amount of stable funding	13,268.00	
Required amount of stable funding	12,057.00	

Leverage Ratio:

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

Particular	Solo	Consolidated	Required Ratio
Leverage Ratio	6.74%	6.72%	3.00%
On balance sheet exposure	17,194.45	17,350.85	
Off balance sheet exposure	2,505.29	2,505.29	
Total exposure	19,699.74	19,856.14	

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.

Stress Testing:

Stress tests are used in proactively managing the bank's risk profile, capital planning & management, strategic business planning and setting of capital buffers. Stress testing is an integral component of the bank's internal capital adequacy assessment process (ICAAP) and is used to assess and manage the adequacy of regulatory and economic capital.

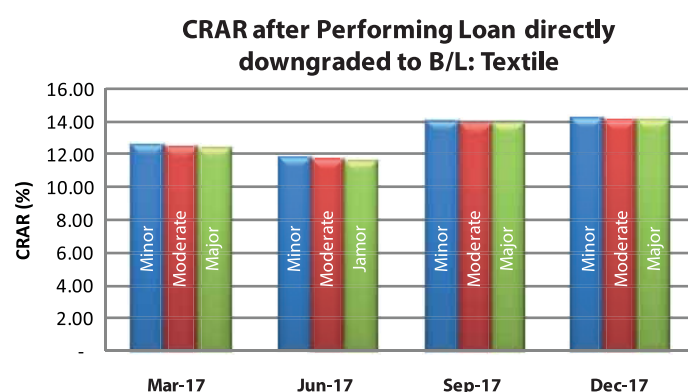
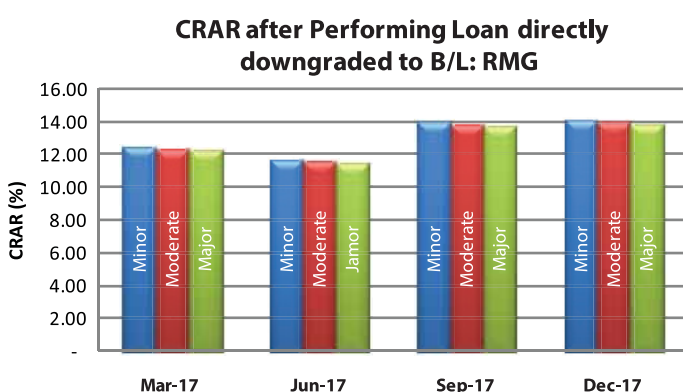
More specifically, stress testing may reveal a reduction in surplus capital or a shortfall in capital under specific scenarios. This may then serve as a leading indicator to the bank to raise additional capital, reduce capital outflows, adjust the capital structure and/or reduce its risk appetite.

The Bank assessed combined shock by aggregating the results of credit shock, exchange rate shock, equity shock & interest rate shock. In case of credit shock, increase in NPLs, results of increase in NPLs due to default of top large borrowers, fall in the forced sale value (FSV) of mortgaged collateral, negative shift in the NPL categories & increase of NPLs in particular 2 sectors were taken into consideration.

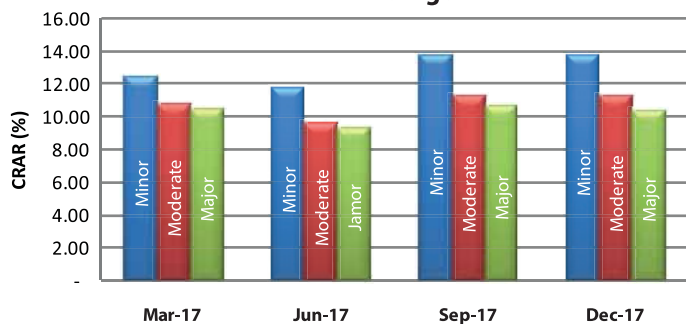
The outcome of the stress tests indicated that the bank was well within its risk tolerance levels in all of the scenarios. The result as on December 2017 is given below:

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	14.18	14.10	13.93	13.77
Performing loan directly downgraded to B/L : Sectoral Concentration 2	14.18	14.16	14.10	14.04
Increase in NPLs due to default of Top large loan borrowers	14.18	13.95	12.06	10.38
Negative Shift in NPLs categories	14.18	13.68	11.21	10.34
Decrease in the FSV of the Collateral	14.18	13.79	13.39	12.58
Increase in NPLs	14.18	13.60	11.91	8.59
Interest Rate	14.18	13.40	12.61	11.82
FEX : Currency Depreciation	14.18	14.11	14.04	13.97
Equity Shock	14.18	14.17	14.16	14.14
Combined Shock	14.18	11.83	6.40	0.52

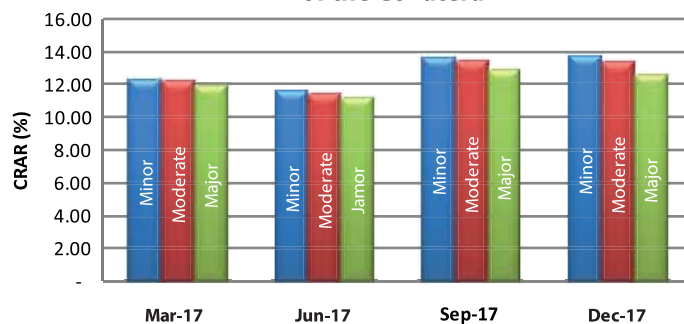
Comparative results of stress tests for the four quarters of 2017 of the Bank have been presented below graphically:



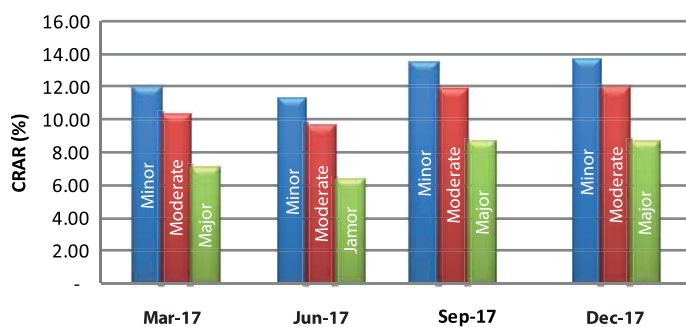
**CRAR after Negative Shift
in NPL Categories**



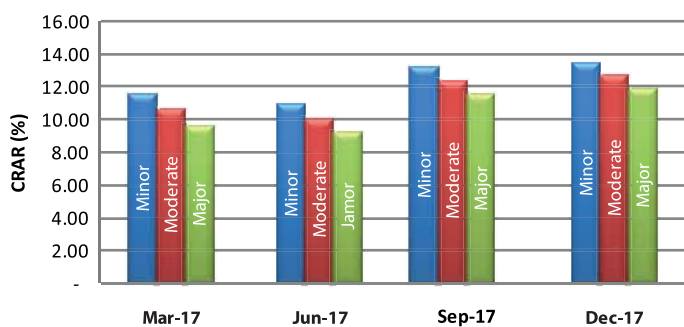
**CRAR after Decrease in the FSV
of the Collateral**



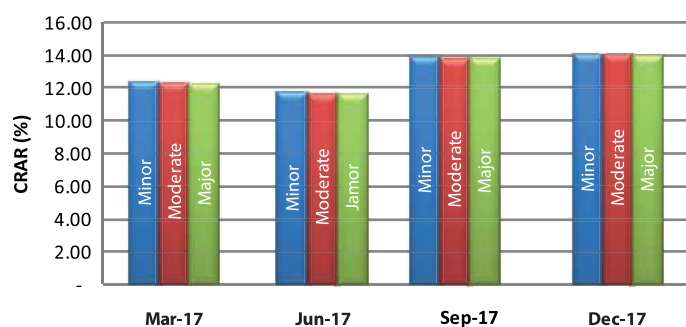
CRAR after Increase in NPLs



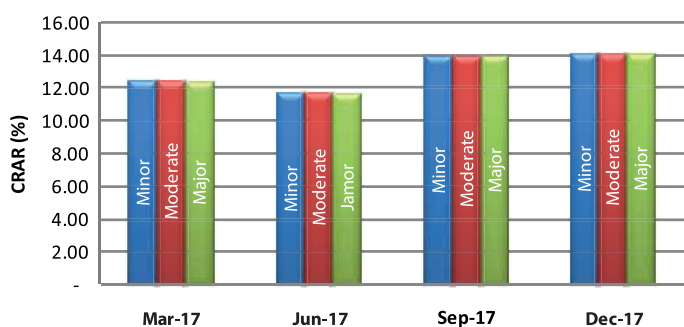
CRAR after Interest Rate



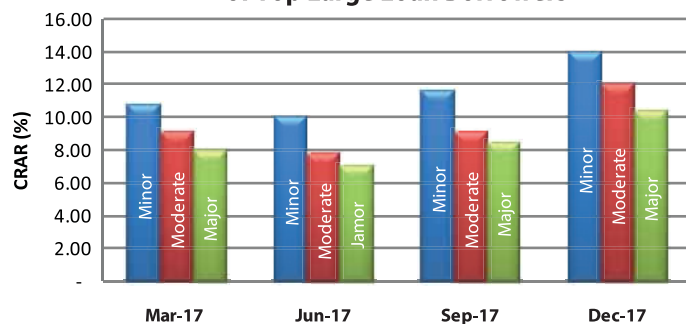
CRAR after FEX : Currency Depreciation



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 31.12.2017

(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

	b) Additional Tier 1 Capital (AT-1)
	Additional Tier 1 (AT1) capital consist of the following items:
	1) Non-cumulative irredeemable preference shares
	2) Instruments issued by the banks that meet the qualifying criteria for AT1 as specified in the guideline.
	3) Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only)
	4) Others
	Less: Regulatory adjustments applicable on AT1 Capital:
	1) Investment in own AT-1 instruments/shares
	2) Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities
	3) Other if any
	2) Tier 2 Capital (T-2)
	Tier 2 capital, also called 'gone-concern capital', represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank. Tier 2 capital consist of the following items:
	1) General Provisions
	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
	Less: Regulatory adjustments applicable on Tier-2 capital:
	1) Revaluation Reserves for Fixed Assets, Securities and Equity Securities (follow phase-in deductions as per Basel-III).
	2) Investment in own T-2 instruments/shares
	3) Reciprocal crossholdings in the T-2 Capital of Banking, Financial and Insurance Entities.
	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
	The calculation of Common Equity Tier-1 , Additional Tier-1,Tier-1 and Tier-2 capital shall be subject to the following conditions:

(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	791.81	791.81
1.2	Non-repayable Share premium account	0.00	0.00
1.3	Statutory Reserve	459.50	459.50
1.4	General Reserve	0.00	0.00
1.5	Retained Earnings	79.89	89.43
1.6	Dividend Equalization Reserve	0.00	0.00
1.7	Minority interest in Subsidiaries	0.00	0.00
1.9	Other if any (if any item approved by BB)	0.00	0.00
1.10	Sub-Total: (1.1 to 1.9)	1331.20	1340.74
Less: Regulatory adjustments applicable on CET1			
1.11	Shortfall in provisions required against Non Performing Loans (NPLs)	0.00	0.00
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	3.25	3.41
1.15	Deferred tax assets (DTA)	0.00	0.00
1.16	Defined benefit pension fund assets	0.00	0.00
1.17	Gain on sale related to securitization transactions	0.00	0.00
1.18	Investment in own CET-1 instruments/shares	0.00	0.00
1.19	Reciprocal crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.00	3.61
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)	3.25	7.02
1.24	Total Common Equity Tier-1 (1.10 -1.23)	1327.95	1333.72

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)	1327.95	1333.72
Tier 2 Capital (gone-concern capital)			
3.1	General Provisions	146.11	146.11
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.	560.00	560.00
3.4	Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified in the guideline.	0.00	0.00
3.5	Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities and 10% of Equities)	1.31	1.31
3.6	Other if any (if any item approved by BB)	0.00	0.00
Tier 1 Capital (going-concern capital)			
3.7	Sub-Total (3.1 to 3.6)	707.42	707.42
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).	0.79	0.79
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)	0.79	0.79
3.16	Total Eligible Tier-2 Capital (3.7 – 3.15)	706.63	706.63
	Total Eligible Capital (Tier-1+Tier-2)(2.10+3.16)	2034.58	2040.35

(c) Capital Adequacy				
Qualitative Disclosure	(a)	Adequate capital means enough capital to compensate with Bank's risks profile. For assessing overall risk profile and a strategy for maintaining adequate capital, Bank has followed an Internal Capital Adequacy Assessment Process (ICAAP) which is issued by Bangladesh Bank for calculating adequate capital under Supervisory Review Process (SRP) of Basel-III. Bank has been strengthened its risk management process and internal control system in assessing and planning of economic capital against all risks. The strategic planning process critically analysis of bank's current and future capital requirements. The strategic plan includes the bank's capital needs, anticipated capital expenditures, desirable capital level, and external capital sources.		
Quantitative Disclosure	(b)	Capital Requirement for Credit Risk	1348.66	1328.85
	(c)	Capital Requirement for Market Risk	37.61	80.01
	(d)	Capital Requirement for Operational Risk	48.16	52.58
	(e)	Total Capital, CET-1 Capital, Total Tier-1 Capital and Tier-2 Capital Ratio:		
		• For the consolidated group:		
		• Total CRAR		13.96%
		• CET-1 Capital Ratio		9.13%
		• Total Tier-1 Capital Ratio		9.13%
		• Tier-2 Capital Ratio		4.84%
		• For stand alone:		
		• Total CRAR		14.18%
		• CET-1 Capital Ratio		9.26%
		• Total Tier-1 Capital Ratio		9.26%
		• Tier-2 Capital Ratio		4.93%
	(f)	Capital Conservation Buffer • For the consolidated group: 182.68 crore (1.25% of Total RWA) • For stand alone: 179.30 crore (1.25% of Total RWA)		
	(g)	Available Capital under Pillar-2 requirement- Tk. 1301.62 Crore as on 31.12.2016. Based on 31.12.2017 it is not calculated yet, it will be calculated within 31.05.2018.		
(d) Credit Risk				
Qualitative Disclosure	(a)	Definition of past due and impaired (for accounting purposes): A customer will be considered to be past due once a repayment becomes overdue. Past due and impaired: In instances in which a customer is past due and for whom the furnished collateral is insufficient to cover the outstanding amount will be considered to be both past due and impaired. Accordingly, impairment will be raised in line with the impairment policy for the relevant accounts. Past due but not impaired: In instances in which a customer is past due, but the customer's facilities are fully collateralized, no impairment will be raised and the customer will be considered past due, but not impaired. A Continuous loan, Demand loan or a Term Loan which will remain overdue for a period of 02 (two) months or more, will be put into the "Special Mention Account (SMA)". This will help banks to look at accounts with potential problems in a focused manner and it will capture early warning signals for accounts showing first sign of weakness. Loans in the "Special Mention Account (SMA)" will have to be reported to the Credit Information Bureau (CIB) of Bangladesh Bank.		

(d) Credit Risk

Qualitative Disclosure	<p>(a) 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> <p>Any continuous loan will be classified as:</p> <ul style="list-style-type: none"> i. 'Sub-standard' if it is past due/overdue for 03 (three) months or beyond but less than 06 (six) months. ii. 'Doubtful' if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine) months iii. 'Bad/Loss' if it is past due/overdue for 09 (nine) months or beyond. <p>Any Demand Loan will be classified as:</p> <ul style="list-style-type: none"> i. 'Sub-standard' if it remains past due/overdue for 03 (three) months or beyond but not over 06 (six) months from the date of expiry or claim by the bank or from the date of creation of forced loan. ii. 'Doubtful' if it remains past due/overdue for 06 (six) months or beyond but not over 09 (nine) months from the date of expiry or claim by the bank or from the date of creation of forced loan. iii. 'Bad/Loss' if it remains past due/overdue for 09 (nine) months or beyond from the date of expiry or claim by the bank or from the date of creation of forced loan. <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting upto Tk. 10.00 Lacs is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'. In case of such types of Fixed Term Loans:</p> <ul style="list-style-type: none"> i. If the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loan will be classified as "Sub-standard". ii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loan will be classified as "Doubtful". iii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loan will be classified as "Bad/Loss". <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'.</p> <p>In case of Fixed Term Loans: -</p> <ul style="list-style-type: none"> i. If the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loan will be classified as "Sub-standard". <p>(a) ii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loan will be classified as "Doubtful"</p> <p>iii. If the amount of 'past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loan will be classified as "Bad/Loss"</p> <p>Explanation: If any Fixed Term Loan is repayable on monthly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 06 monthly installments. Similarly, if the loan is repayable on quarterly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 2 quarterly installments.</p>
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(d) Credit Risk

Qualitative Disclosure	(a) <ul style="list-style-type: none"> • Description of approaches followed for specific and general allowances and statistical methods As per relevant Bangladesh bank guidelines, 1% to 5% provision is maintained against good/ standard loans, 5% provision is maintained against SMA loans, 20% provision is maintained against sub - standard loans, 50% provision is maintained against doubtful loans and 100% provision is maintained against bad / loss loans after deducting value of eligible security, if any, as per Bangladesh Bank guidelines. All interest is suspended / discontinued if the loan is identified as SMA or classified as sub -standard, doubtful or bad /loss. • Discussion of the Bank's credit risk management policy The Board approves the credit policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets, Authorities are properly delegated ensuring check and balance in credit operation at every stage i.e screening , assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early monitoring, supervision and recovery of loans with provision for early warning system. The credit risk management division is independently operated for dedicated credit risk management, separate credit administration division for ensuring perfection of security coverage and credit monitoring and recovery division for monitoring and recovery of irregular loans. Besides, Internal control & compliance division independently assess quality of loans and compliance status of loans at least once in a year. Adequate provision is maintained against classified loans as per Bangladesh Bank guidelines. Status of loan portfolios is being regularly reported to the Board /Executive Committee. 																														
	(b) <table> <tr> <th data-bbox="517 1173 1241 1249">Total gross credit risk exposures broken down by major types of credit exposure:</th><th data-bbox="1246 1173 1505 1249">Tk. in Crore</th></tr> <tr> <td data-bbox="517 1256 1241 1312">SOD/Quard against TDR</td><td data-bbox="1246 1256 1505 1312">1965.09</td></tr> <tr> <td data-bbox="517 1319 1241 1375">Term Loans (General including Bai-Muajjal)</td><td data-bbox="1246 1319 1505 1375">2765.04</td></tr> <tr> <td data-bbox="517 1382 1241 1438">Export Development Fund (EDF)</td><td data-bbox="1246 1382 1505 1438">273.86</td></tr> <tr> <td data-bbox="517 1444 1241 1500">Agriculture</td><td data-bbox="1246 1444 1505 1500">785.65</td></tr> <tr> <td data-bbox="517 1507 1241 1563">Cash Credit/Murabaha</td><td data-bbox="1246 1507 1505 1563">1539.21</td></tr> <tr> <td data-bbox="517 1570 1241 1626">House Building Loans</td><td data-bbox="1246 1570 1505 1626">261.86</td></tr> <tr> <td data-bbox="517 1632 1241 1688">Transport Loans</td><td data-bbox="1246 1632 1505 1688">108.62</td></tr> <tr> <td data-bbox="517 1695 1241 1751">LTR</td><td data-bbox="1246 1695 1505 1751">886.27</td></tr> <tr> <td data-bbox="517 1758 1241 1814">PAD</td><td data-bbox="1246 1758 1505 1814">329.21</td></tr> <tr> <td data-bbox="517 1821 1241 1877">Packing Credit (PC)</td><td data-bbox="1246 1821 1505 1877">38.16</td></tr> <tr> <td data-bbox="517 1883 1241 1939">Demand Loan</td><td data-bbox="1246 1883 1505 1939">771.69</td></tr> <tr> <td data-bbox="517 1946 1241 2002">Lease Finance/Izara</td><td data-bbox="1246 1946 1505 2002">124.17</td></tr> <tr> <td data-bbox="517 2009 1241 2065">Syndicate/Club Finance</td><td data-bbox="1246 2009 1505 2065">241.07</td></tr> <tr> <td data-bbox="517 2072 1241 2128">Visa Credit Card</td><td data-bbox="1246 2072 1505 2128">37.21</td></tr> </table>	Total gross credit risk exposures broken down by major types of credit exposure:	Tk. in Crore	SOD/Quard against TDR	1965.09	Term Loans (General including Bai-Muajjal)	2765.04	Export Development Fund (EDF)	273.86	Agriculture	785.65	Cash Credit/Murabaha	1539.21	House Building Loans	261.86	Transport Loans	108.62	LTR	886.27	PAD	329.21	Packing Credit (PC)	38.16	Demand Loan	771.69	Lease Finance/Izara	124.17	Syndicate/Club Finance	241.07	Visa Credit Card	37.21
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(d) Credit Risk

		SME/SE	2120.83
		Green Finance	1.51
		CCS/Hire Purchase	32.07
		Bills purchased & discounted (Local & Foreign)	332.3
		Total	12613.8
	(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:	Tk. in Crore
		Urban:	
		Dhaka Division	7,822.80
		Chittagong Division	2,357.06
		Sylhet Division	41.53
		Rajshahi Division	467.28
		Khulna Division	683.03
		Rangpur Division	492.37
		Barisal Division	39.43
		Mymensingh	25.33
		Total	11928.83
		Rural:	
		Dhaka Division	465.58
		Chittagong Division	81.28
		Sylhet Division	16.68
		Rajshahi Division	35.99
		Rangpur Division	49.56
		Barisal Division	0
		Khulna Division	16.29
		Mymensingh	19.58
		Outside Bangladesh	0
		Total	684.96
		Grand Total (urban + rural)	12613.79

(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	2740.05
		Export financing	191.46
		House Building loan	236.86
		Consumers credit scheme	27.6
		Small & Medium Enterprise	2120.83
		Special program loan	11.39
		Others	154.31
		Total	5482.5
		Industrial loans:	
		Agricultural Industries	558.82
		Textile Industries	2158.78
		Food & Allied Industries	858.32
		Pharmaceuticals Industries	36.15
		Leather , Chemical & Cosmetics etc	27.56
		Cement & Ceramic Industries	269.26
		Service Industries	1654.27
		Transport & Communication Industries	517.85
		Other Industries	959.45
		Total	7040.46
	(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	2740.05
		Up to one month	191.46
		Over one month but not more than three months	236.86
		Over three months but less than one year	27.6
		Over one year but less than five years	2120.83
		Above five years	11.39
	(f)	By major industry or counterparty type :	
		Amount of impaired loans and if available, past due loans, provided separately	902.25
		Corporate	123.42
		SME	8.67
		Consumer Financing	10.80
		Others	
		Specific and general provisions; and	780.16
		Charges for specific allowances and charge-offs during the period	

(d) Credit Risk

	(g) Gross Non performing Assets (NPAs)	1045.14
	Non performing Assets (NPAs) to Outstanding Loans & advances	8.29%
	Movement of Non Performing Assets (NPAs)	
	Opening balance	661.11
	Additions	503.62
	Reductions	119.59
	Closing balance	1045.14
	Movement of specific provisions for NPAs	
	Opening balance	397.29
	Provisions made during the period	278.68
	Write-off	64.69
	Write-back of excess provisions	-----
	Closing balance	675.97

(e) Equities: Disclosures for Banking Book Positions

Qualitative Disclosure	(a)	The general qualitative disclosure requirement with respect to the equity risk, including: The Bank does not hold any value which is describes as "Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons" in RBCA Guidelines of Bangladesh bank. Therefore the Bank does not needed to narrate any "Discussion of important policies covering the valuation and accounting of equity holding in the banking book, This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices". Apart from above, the Bank has being calculated value at cost method for Quoted shares & Unquoted shares.		
		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.		
	(b)		Cost Price	Market Price
		Quoted shares	Tk. 16.82	16.79
		Unquoted shares	Tk. 261.24	261.24
	(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) -		0.03
		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
		Magnitutude of Shock	1.00%	2.00%	3.00%
		Net Interest Income impact			
		<12 Months	-0.35	-0.71	-1.06
		Capital after shock	2034.23	2033.87	2033.52
		CRAR after shock (%)	14.18	14.18	14.18
		Change in CAR after shock (%)	0	-0.01	-0.01
		Re-pricing Impact			
		Change in the value of the bond portfolio	-112.75	-225.50	-338.25
		Capital after shock	1921.48	1808.37	1695.27
		CRAR after shock (%)	13.4	12.61	11.82
		Change in CAR after shock (%)	-0.79	-1.57	-2.36
		Overall change in CAR (NII & re-pricing impact, %)	-0.79	-1.68	-2.37

(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
		Interest rate risk	10.36
		Equity position risk	3.36
		Foreign exchange risk	23.89
		Commodity risk	0

(h) Operational Risk

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

(h) Operational Risk			
Quantitative Disclosure	(b)	The Capital Requirement for Operational Risk (Solo)	48.16
		The Capital Requirement for Operational Risk (Consolidated)	52.58
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> <p>a) To position bank's strategic direction and tolerance level for liquidity risk.</p> <p>b) To appoint senior managers who have ability to manage liquidity risk and delegate them the required authority to accomplish the job.</p> <p>c) To continuously monitors the bank's performance and overall liquidity risk profile.</p> <p>d) To ensure that liquidity risk is identified, measured, monitored, and controlled.</p> <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> <p>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.</p> <p>b) Adhere to the lines of authority and responsibility that the board has established for managing liquidity risk.</p> <p>c) Oversee the implementation and maintenance of management information and other systems that identify, measure, monitor, and control the bank's liquidity risk.</p> <p>d) Establish effective internal controls over the liquidity risk management process.</p> <p>Method used to measure Liquidity risk</p> <p>1) Contractual maturity mismatch:</p> <p>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:</p> <p>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:</p> <p>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	a)	<p>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> <ul style="list-style-type: none"> a. Composition of Assets and Liabilities b. Diversification and Stability of Liabilities. c. 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> <ul style="list-style-type: none"> a) A reasonable amount of liquid assets are maintained. b) Measurement and projection of funding requirements during various scenarios. c) Management of access to funding sources. <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>

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)	Liquidity coverage ratio (LCR)	110.13%
		Net stable Funding Ratio (NSFR)	110.46%
		Stock of High quality liquid assets	2,742.00
		Total net cash outflows over the next 30 calendar days	2,489.44
		Available amount of stable funding	13,268.00
		Required amount of stable funding	12,057.00

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>
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j) Leverage Ratio:

Quantitative disclosures	The bank 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	6.74%	6.72%
	On balance sheet exposure	17194.45	17350.85
	Off balance sheet exposure	2505.29	2505.29
	Total exposure	19696.49	19849.13

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. 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. 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> <ol style="list-style-type: none"> 1. Minimum Qualification level set during the recruitment 2. Level of Experience 3. Level of Risk involved 4. Complexities of the job 5. degree of creativity or productivity expected in the job 6. Business developing excellence and expertise 7. Leadership capability 8. Corporate exposure <p>However the remuneration structure/package for the Managing Director (MD) of the Bank is subject to approval of Bangladesh Bank.</p>
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes	<p>The Management has always been in practice of reviewing remuneration/compensation package/structure of the prime employees in top positions who are associated with high degree of risk factors, current and future position. 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: 2076 Number and total amount of guaranteed bonuses award during the financial year: 02, BDT 12.07 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: 182.92 crore (Gratuity, PF, WF) Total amount of deferred remuneration paid out in the financial year: 4.58 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		
		-fixed remuneration : 140.59 crore variable remuneration: BDT 252 crore -deferred remuneration: 182.92 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.
(k)	Quantitative information about employees' exposure to implicit (e.g. fluctuation in the value of shares or performance units) and explicit adjustments (eg claw back or similar reversals or downward revaluations of awards)of deferred remuneration and retained remuneration:	Quantitative information about employees' exposure to implicit (e.g. fluctuation in the value of shares or performance units) and explicit adjustments (eg claw back or similar reversals or downward revaluations of awards)of deferred remuneration and retained remuneration: Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments: Nil Total amount of reductions during the financial year due to ex post explicit adjustments: Nil Total amount of reductions during the financial year due to ex post Implicit adjustments: Nil

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.

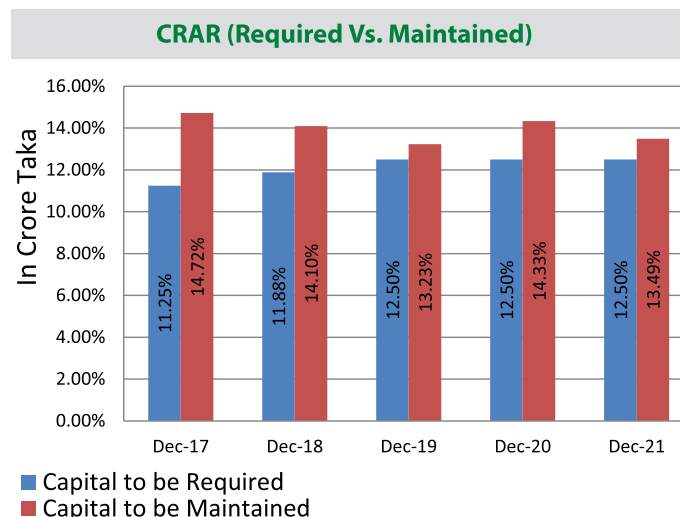
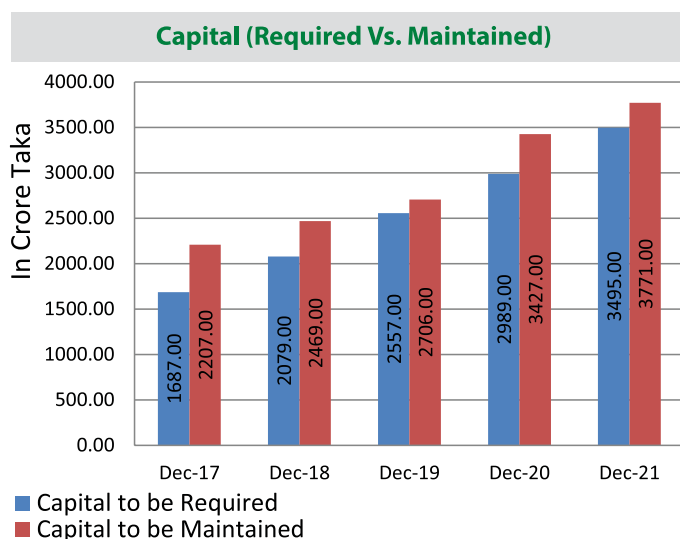
The capital planning process has been included the following components:

- 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 2017 to 2021 for meeting ICAAP (Internal Capital Adequacy Assessment

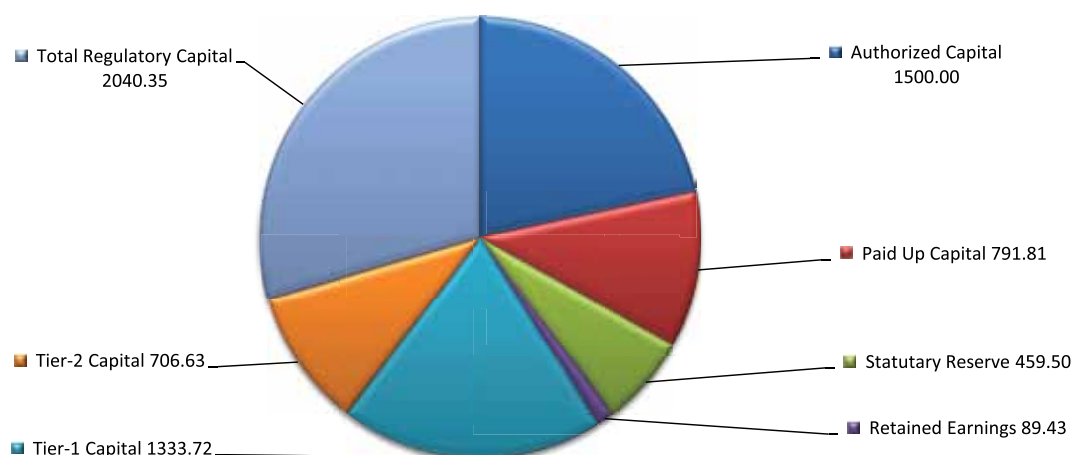
Process) requirement under SRP (Supervisory Review Process) of Basel-III guideline. Bank has already enhanced its Authorized Capital from Tk. 880.00 crore to Tk. 1500.00 crore. To use of capital efficiently Bank tries to reduce Risk Weighted Asset (RWA) by its best effort. Moreover Bank issued subordinated debt of Tk. 200.00 crore on December-2015 and Tk. 400.00 crore on September 2017 for enhancing Tier-II capital to meet regulatory requirement. In 5 (Five) years capital planning Bank has been predicted to be required and maintained of capital which are shown in the below graphs:



B) Capital Structure:

Bank's Authorized Capital is now Tk. 1500.00 crore. The Paid-up Capital of the Bank has stood at Tk. 791.81 crore & the Statutory Reserve stood at Tk. 459.50 crore as on 31.12.2017. The total Tier-I capital of the Bank on consolidated basis at the end of the 2017 stood Tk. 1327.95 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 & solo basis has stood Tk. 2040.35 crore and 2034.58 crore respectively at the end of 2017.

Capital Structure



C) Capital Adequacy:

In terms of Bangladesh Banks' revised Basel-III Guidelines, the Minimum Capital Requirement (MCR) from January-2017 to December-2017 stood 10.00% of Risk weighted asset (RWA), but January-2017 the MCR with capital conservation buffer is 11.25% 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 & solo basis stood at Tk. 1333.72 crore & 1327.95 crore which is increased by Tk. 293.35 crore & 292.28 crore respectively from previous year. Besides Tier-II, another part of the Capital Structure stood at Tk. 706.63 crore at

the end of 2017 which includes General Provision on unclassified loans & advances & off balance sheet exposure and subordinated bond. Total Capital increased by Tk. 663.10 crore & 662.03 crore on consolidated and solo basis respectively during the year 2017.

Capital Adequacy Ratio is measured by the total regulatory Capital to total Risk weighted asset. Capital to Risk Weighted Asset Ratio (CRAR) stood at 14.18% for solo basis & 13.96% for consolidated basis at the end of 2017 against 11.54% & 11.38% respectively at the end of 2016, where CRAR requirement with Capital Conservation Buffer (CCB) is 11.25% at the end of 2017.

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 NPL's can pose a systemic risk. Systemic risk can occur if the aggregate lending activity is lower than it would be if the NPL ratio was not that high. The evidence shows that the level of NPLs is the indication of problems faced by a country's economy and its real sector. Which is not capable to repay its debt, but it can also be a sign of a poor economy scenario.

Non-Performing Loan (NPL) is a debt obligation where the borrower has not paid previous agreed upon interest and principal repayments to the designated lender for an extended period of time. The non –performing Loans are therefore not yielding any income to the lender in the form of principal and interest payment. Therefore, managing Non-Performing Loan (NPL) to keep it at the lowest possible level is at the core of our business priorities. We have embedded the essence of asset quality in our business values, therefore, instituted the best local as well as international industry practices throughout our business processes.

Standard Bank has a recovery Division dedicated for management, settlement and recovery of problem credits. Major responsibility of this Division is to formulate strategy and action plans for minimize of risk, prevention of credit losses, and maximization of recoveries and /or pursuing legal actions.

The recovery process of Standard Bank Limited is defined as the set of coordinated, appropriate and timely activities aimed at full recovery of loans from clients. The process is intended to convert the receivables into liquid assets as quickly and efficiently as possible, while at the same time maintaining the good relation with the client for the sake of future business. As such, the recovery process require significant interaction with the client, beginning with a careful analysis of the client situation and continuing through timely and frequent contact over the duration of the loan. Clients should be offered payment alternatives that are timely and appropriate to each situation and all recovery activities should be recorded to facilitate continuous monitoring and follow-up as well as control of client compliance with negotiated agreements.

Key Priorities

In order to achieve the general goal, Standard Bank has identified several key areas and decided to make improvements in regulatory framework, capacity building and implementation of laws;

- Structural development of the Division all through the year;
- Enhancing Bank's capacity & strategy to deal with NPLs;
- Enabling business process & structure to facilitate NPL Management;
- Improving and promoting out-of-court debt settlement;
- Improving in-court debt resolution

Enhanced Banks' Capacity to deal up NPLs

Furthermore, banks are required to establish efficient monitoring of lending, including the system of early warning for increased credit risk, which enables timely identification of debtors with whom this increase occurred and which includes the definition of qualitative and quantitative indicators for early observation of increased credit risk. NPL management is one of the topmost priorities of Standard Bank. At Standard Bank, monitoring starts from the very beginning of the business process. The steps of NPL management work flow are as follows:

- Standard Bank has promulgated self –credit policies in line with best practices which are guiding business relationship terms to involve their best business efforts towards quality business through systematic management of any potential risk for being highly judicious in selecting borrowers.
- Relationship Managers are preparing loan proposal without any interference of any third party, top management of the Bank or the client. Our Management Credit Committee of Head Office which 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.

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 2017.

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, ten (10) new branches have been opened and state-of-the-art IT services have been introduced to offer better banking services to the existing and prospective clients.

Information Technology

Technology is considered as one of the strategic pillars and key

factors of the Bank towards achieving goals of the Bank. We must keep innovating to offer our customers with new and better solutions, cut costs and reinforce risk management as staying committed to the goal of delivering excellent banking services requires continuous improvements in technological platform. The Bank has put in place a state-of-the-art IT Infrastructure and is providing an array of various products and services through all its delivery channels. It is the combination of technology and banking knowledge that can redefine the competitive landscape of the banking industry. In an inherently digital industry, it is essential to embrace technology-driven innovation in order to flourish. We have invested on technological advancement to increase automation of our back-end systems to drive down transaction costs and to improve service quality and resilience. As a result, our operations cost/income ratio would decline consistently, whilst staff productivity would rise gradually in the near future. The main objective of investment in technology is to provide our customers' convenience and quick service at branch level. We have already established a network of sixty seven (67) ATMs mainly at our branch locations so that customers can have access regardless of banking hours and holidays. We have already connected with National Payment Switch under Bangladesh Bank where our customers can have access to more than 9,500 ATMs & more than 28,000 Merchant POS outlets all around the country.

In order to cater the need of customers, SBL Introduced technology savvy services like Branch PoS, Internet Banking, SMS Banking, SBL EXPRESS Booth which is incorporated with ATM & CDM 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 one hundred fourteen (114) units of Branch PoS and will incorporate all branches of SBL by the year 2018. 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 2017. During

the year 2017, a sum total of Taka 2,122.67 million was disbursed under ETP, Solar Plant/ Energy Renewable Plant, HKK and other Green Industry. We have also made investment in climate change risk fund BDT 32 million in the year 2017.

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 2017, our 2076 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-14.18% Consolidated-13.96% as on 31 December 2017 with fresh injection of capital through issuing subordinate bond of Tk.

600 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 issued "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT" 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 179.80 million under Health, Education, Disaster Management, Environment, Cultural welfare, Infrastructure improvement in remote/underprivileged areas, Income generating activities for the underprivileged population, and Others program's as against Taka 80.10 million in 2016 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 13,880 million in 2017 as compared to Taka 9,649 million in 2016 which is a tremendous growth of 44%.

Performance

The country experienced slower investment demand in 2017 re-sulting in substantial amount of surplus liquidity in the banking industry. Despite such scenario, the year 2017 SBL maintained and achieved a stable position in all key areas of its operations overcoming manifold challenges. Out of 125 Branches, Operating Performance of 2017 of some Branches may be mentioned as under:

(i) 10 Branches achieved 100% Deposit Target, (ii) 19 Branches achieved 100% Investment Target, and (iii) 13 Branches achieved 100% Profit Target as set out for the year 2017. 33 Branches which incurred loss during the year are expected to be brought under profit club by June 2018. Capital of the Bank stood at Tk. 17,649 million compared to Tk. 13,773 million in 2017. Total Deposit and total Asset of the Bank stood at Tk. 1,34,731 million and Tk. 1,75,699 million respectively in 2017 compared to Tk. 1,22,554 million and Tk. 1,52,789 million in 2016. The Bank achieved 22% growth in investment with a total investment portfolio of Tk. 1,28,228 million in 2017 compared to Tk. 1,05,039 million in 2016. Import business of the Bank stood at Tk. 66,510 million in 2017 with 16% growth over the previous year Tk. 55,684 million, while Export business of the Bank stood at Tk. 43,807 million in 2017 which is increased by 12% than that of previous year i.e. Tk. 38,501 million. Total Foreign Remittance was Tk. 7,563 million in 2017 with 24% growth over the previous year Tk. 5,764 million. Total Foreign Exchange business of the Bank was Tk. 1,17,881 million in 2017 which is increased 18% than that of the previous year Tk. 99,949 million. The classified investment of the Bank increased to 7.30% from 3.62% in 2017 and finally registered an operating profit of Tk. 3,325 million in the year 2017 which was increased by 3% compared to Tk. 3,224 million in 2016. In the Year 2017, ten (10) new Branches were opened and SBL became the Bank comprising of 125 Branches. Total manpower of the Bank is 2076. Operating Profit Ratio of 2017 was 24% compared to 25% in 2016. In the year under review, country's money market was soft and domestic lending rates have fallen. Return on equity was 9.24% in 2017 against 8.66% in 2016. Current ratio for the year 2017 was

1.14 times which has been almost steady since long. The Bank was more levered in 2017 (Debt equity ratio 12.10 times) compared to 2016 (ratio 11.15 times). Cost of Deposit was 5.71% in 2017 compared to 6.32% in 2016. Return on Average Assets was 0.75% in 2017 against 0.76% in 2016. At the end of year 2017, EPS and PE Ratio was Taka 1.56 and 9.97 times respectively compared to Taka 1.37 and 4.35 times in 2016.

Financial Inclusions

Financial infusion remains a necessity for providing access to financial services to all the unbanked and under-banked people in a fair, transparent and equitable manner at an affordable cost. Financial services include, inter alia, credit delivery to micro and SME enterprises, agricultural and other rural and urban farm and non-farm productive activities. Retail and SME have been recognized by Bangladesh Bank as a major thrust of economic growth. Consequently we have deepened our stake in both the areas. All of our branches are now ready to provide SME services across the country at strategically important locations. In agriculture and non-farm sectors we have taken new Initiatives to make lending collateral free as much as possible. Standard Bank has also initiated for 'Agent Banking' operation to provide financial service for nonbank people.

Outlook 2018

From the beginning of the year 2018, 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 2018 another success, SBL is ready to accept the challenges of 2018 with new visionary zeal to achieve the common objectives of the Bank and, hence, the year 2018 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 2018, which is realistic and challenging. To achieve success in the year, SBL has undertaken the following short-term strategies side by side the mid-term and long-term strategies:

- To open new Branches in important urban/ rural areas of Bangladesh.
- To increase ATM facilities.
- To strengthen the automation procedures of the Bank.
- To increase number of AD Branches.
- To enhance the CSR activities in line with the Bank's CSR policy.
- To enhance non-funded business.
- To undertake special recovery drive.
- To conduct special program file's for business.
- To present innovative and new deposit and investment products to the customers.

- To explore the business opportunities in SME investments.
- To take strong initiative for launching 'Agent Banking' operation to provide financial service for nonbank people.
- Basel-III compliance with raising and managing capital adequacy from 10% to 12.50%.
- Some factors may cause the actual results to differ and some may significantly cause to deviate from the outlook 2018. Some of the factors that may affect the business environment are given below:
 - Changes in government policy Issues
 - Changes in the general economic condition resulting from natural calamities and political disturbances.
 - Rise in international prices of essentials which may result to volatility in Foreign Exchange Market
 - Compliance issues raised by the international forums which are likely to affect the export growth.
 - International embargo/unrest may affect remittances and trade.
 - Increase in corporate tax rate,
 - Volatility in interest rate
 - Increase in CRR and SLR of the banks.
 - Directives to reduce the lending rates to finance essential items.
 - Increase In provisioning requirement may reduce the ROA and ROE.
 - Reducing the margin ratio for investment accounts.
 - Volatility in capital market arising from speculations
 - Withdrawal of incentive given to some thrust sectors which may make the projects slowly moving.

Nevertheless, the successes of Standard Bank Ltd. (SBL) In 2017 clearly affirm that this bank is ready to accept challenges of the future. We hope, SBL's momentum of growth of business and profitability will be maintained definitely in 2018 and the years to come. We will always be responsive to the needs of our communities and ultimately our customers. To show our commitment to all our stakeholders and Increase their trust on Standard Bank Ltd., we have embraced a business principle called Creating Shared Value (CSV), which is for us to be successful in the long-term. We have to create value not only for our shareholders but also for people in the communities where we do business. We look forward to a brighter and rewarding two thousand eighteen.

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



Mamun Ur Rashid
Managing 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 the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole. It manages human resources that support long-term business goals and outcomes with a strategic framework.

It aims at all HR processes and activities to build the competitive advantage for the organization. The organization has to identify the strategic HR areas that will be used as a basis for a competitive advantage. No organization can excel in all areas because it would be no cost effective. The organization has to choose the right mix of different HR processes, and it has

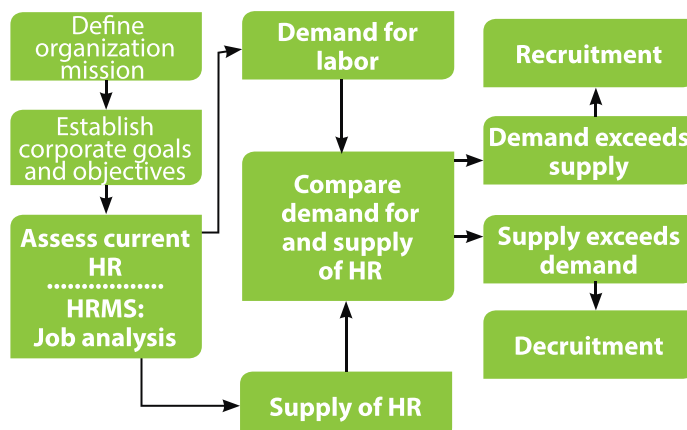
to develop them as the best practice for competitors. The approach focuses on longer-term people issues, matching resources to future needs, and macro-concerns about structure, quality, culture, values and commitment.

HRM is a strategic process because management of human resources plays a decisive role in determining the future success or failure of employee performance and the business as a whole. It is important that the HR strategy has to be aligned with the organizational strategy; otherwise a healthy strategic fit cannot be achieved.

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

Linking Organizational Strategy to HR Planning

Linking Organizational Strategy to HR Planning



Functions of Human Resource Division:

Standard Bank Ltd has a fully functional Human Resources Division (HRD) supported by manpower. The HRD of SBL performs the all HR development functions mailing-

- Selection and Recruitment.
- Training and Development of Employees.
- Compensation and Benefits Planning.
- Promotion Planning.
- Making Reward and Recognition Policies.
- Policy Formulation for Staff Loans (Car/Housing).
- Policies for Disciplinary Actions.
- Employee Gratuity Fund Policy Formulation.
- Employee Provident Fund Policy Formulation.
- Employee Welfare Fund Policy Formulation.

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.

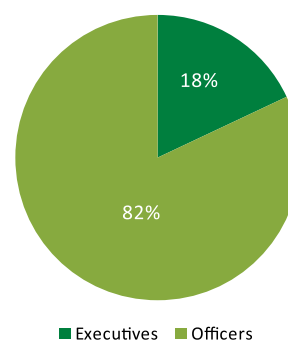
Career Progression:

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. 2017 with 2076 employees. Every year SBL recruits number of efficient employees to achieve organizational goals. The growth rate of



employment in 2017 was 4.22%. As SBL inculcates rewarding environment for the performing employees, a number of 422 employees out of 536 were promoted to next higher grades in 2017.

Percentage of Employees Promoted in 2017



Succession Planning:

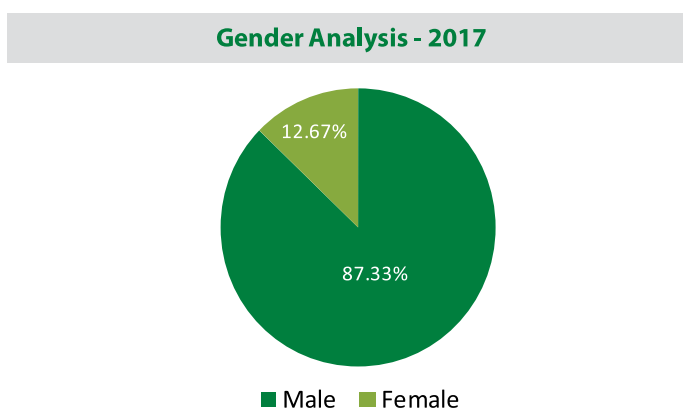
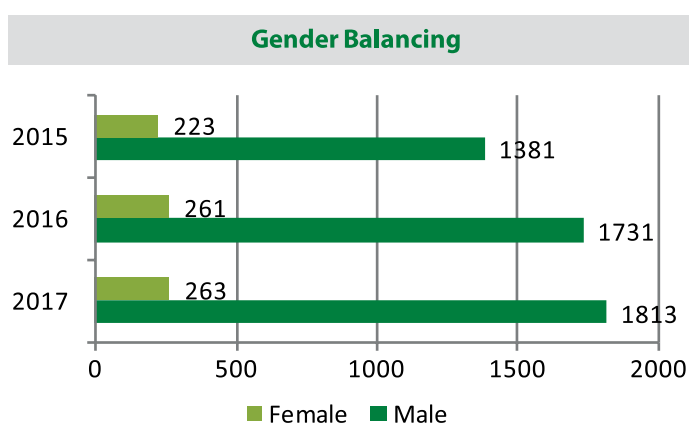
Succession planning is a continual process for monitoring, training and developing potential internal talents to make them new leaders for key positions in future. SBL also has a well-defined & thorough succession plan for its employee



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.

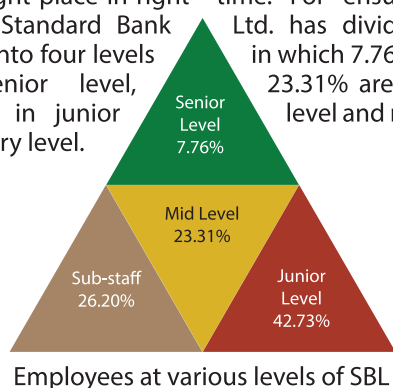
Gender Balancing:

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 263 female employees in the bank. The female participation in the employment in 2017 is 12.67%.



Combination of Human Capital:

Standard Bank Ltd. always tries to ensure right number of people in right place in right time. For ensuring smooth operations, Standard Bank Ltd. has divided the total employees into four levels in which 7.76% employees are in senior level, 23.31% are in mid-level, 42.73% are in junior level and rest of 26.20% 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.

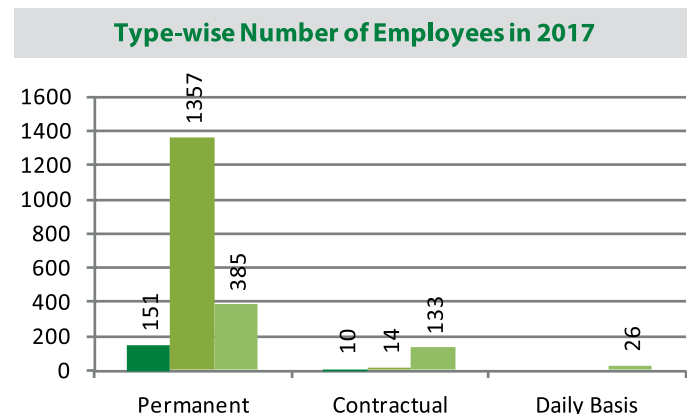
To achieve the desired goals and to hold values, SBL management focuses managing an efficient human capital inventory. The changes in employee level over the last 3 years are as follows:

Particulars	2017	2016	2015
Total Employee at the beginning	1992	1604	1548
Number of Newly Recruited Employee	184	445	97
Departures (Retirement/Resignation etc.)	100	57	41
Total Employee at the end	2076	1992	1604

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.

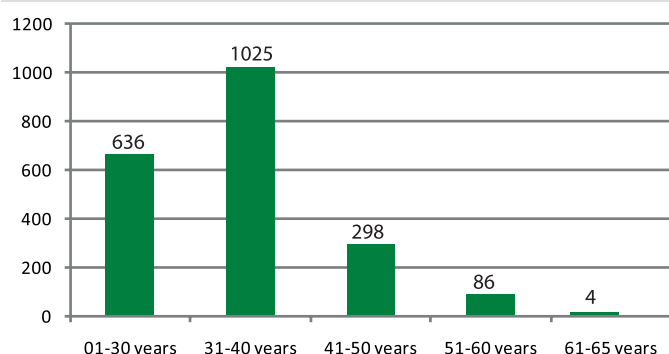
Composition of Employee Types in 2017				
Type	Permanent	Contractual	Daily Basis	Total
Executive	151	10		161
Officer	1357	14		1371
Sub-staff	385	133	26	544
Total	1893	157	26	2076



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 2017



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.

Training and Development

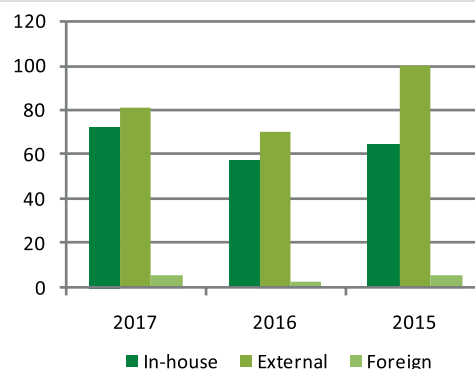
All organizations today face rapid and often unexpected changes. Giving employees the skills, knowledge and attitudes to cope with such change is a primordial factor to survival and success, both personal and business.

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, SB 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:

Name of Institution	Number of Training Programs	Number of Participants
Internal		
Standard Bank Training Institute	72	2403

Name of Institution	Number of Training Programs	Number of Participants
External		
BAB	8	16
BBTA	32	60
BIBM	20	50
FinExcel	6	10
Others	15	20
Total (In Bangladesh)	81	156
Foreign	6	9
Total	159	2568

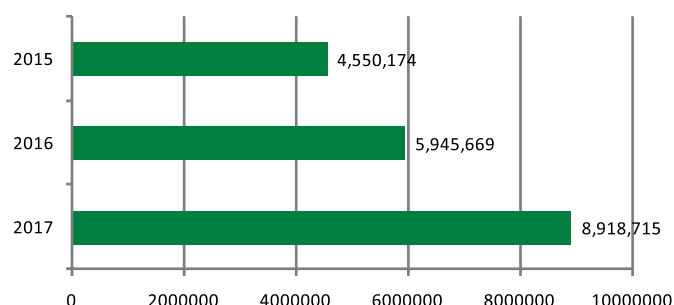
Number of Training Arranged



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:

Investment on Training and Development (in Taka)



HUMAN RESOURCE ACCOUNTING

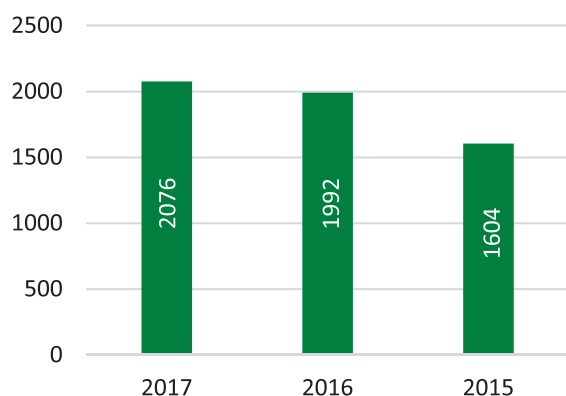
Human Resource Accounting involves measuring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. It also involves measuring the economic value of people to the organization. It is the measurement of the cost and value of people to organizations. Nowadays this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

Some key HR accounting information of Standard Bank Ltd. is as follows

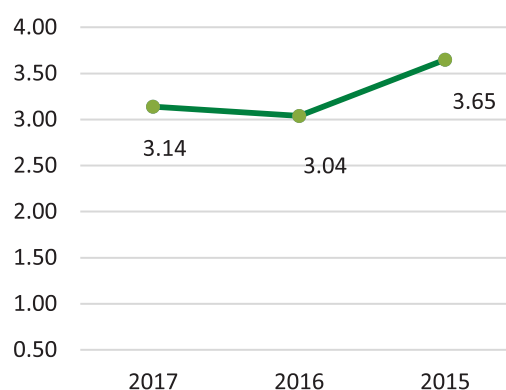
Particulars	2017	2016	2015
Total Employees	2076	1992	1604
Operating Revenue Per Employee (Million in Tk.)	3.14	3.04	3.65
Net Profit before Taxes per Employee (Million in Tk.)	1.10	1.12	1.64
Net Income Per Employee (Million in Tk.)	0.63	0.63	1.01
Asset Per Employee (Million in Tk.)	84.63	76.70	82.52
Direct Investment in Human Capital (Million in Tk.)	1822.61	1642.16	1629.65
Training & Development Expenditure (Tk.)	8918715	5945669	4550174
Training & Development Expenditure Per Employee (Tk.)	4296	2985	2837
Employee Turnover Rate	4.92%	3.17%	2.60%

Graphical Presentation of Some Human Capital Issues:

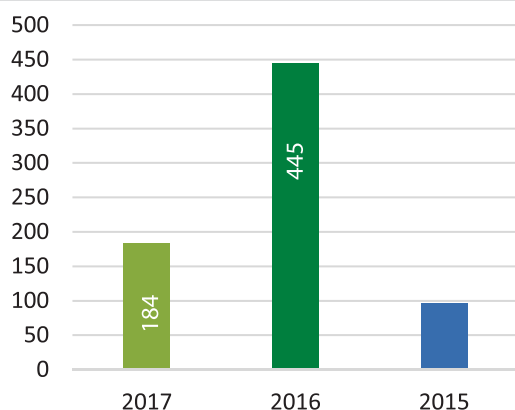
Total Employees



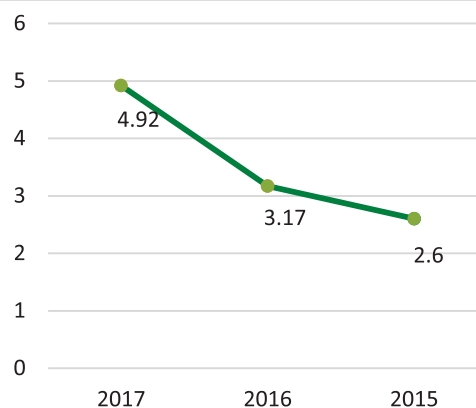
Operating Revenue Per Employee (Tk. in million)

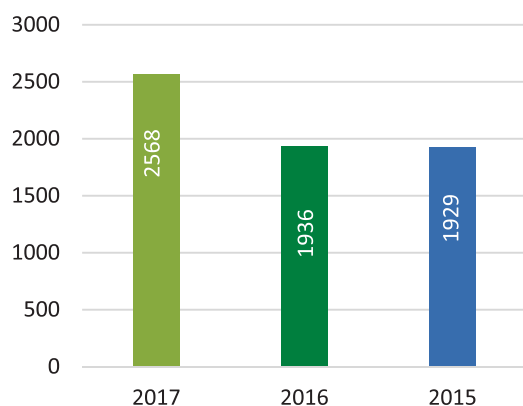
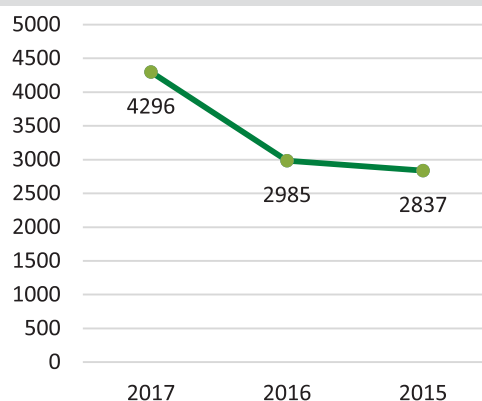
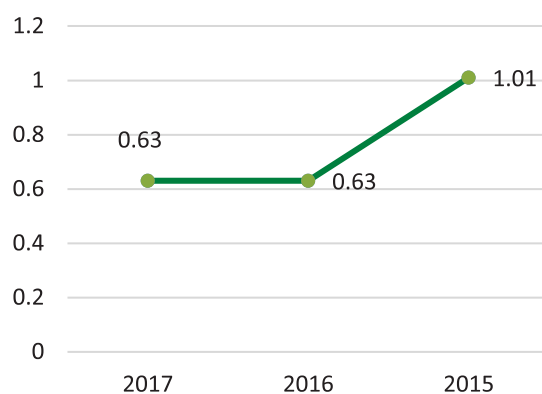


Newly Recruited Employees



Employee Turnover Rate



Number of Training Attendees**Training & Development Expenditure Per Employee****Net Profit Per Employee (Tk. in million)**

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 2017, SBTI conducted 72 training & development programs for 2403 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				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
PROPERTY & ASSETS					
CASH	6.01%	6.13%	5.45%	5.55%	5.54%
Cash in Hand (including foreign currencies)	0.79%	0.73%	0.63%	0.69%	0.63%
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)	5.22%	5.40%	4.82%	4.86%	4.91%
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	2.17%	1.71%	1.72%	1.83%	0.81%
In Bangladesh	1.61%	1.07%	1.44%	1.57%	0.36%
Outside Bangladesh	0.56%	0.64%	0.28%	0.26%	0.44%
MONEY AT CALL AND ON SHORT NOTICE	0.92%	0.21%	0.81%	0.26%	0.12%
INVESTMENTS	17.55%	16.55%	14.44%	11.52%	16.71%
Government	15.05%	14.26%	10.99%	9.26%	10.28%
Others	2.51%	2.30%	3.45%	2.25%	6.44%
LOANS AND ADVANCES / INVESTMENTS	67.94%	67.08%	69.11%	72.98%	68.75%
Loans, Cash Credits, Over Draft etc./ Investments	66.80%	66.34%	67.97%	71.09%	67.21%
Bills Purchased and Discounted	1.14%	0.73%	1.14%	1.89%	1.54%
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURE	0.61%	2.86%	2.62%	2.10%	2.30%
OTHER ASSETS	4.80%	5.46%	5.85%	5.76%	5.77%
NON-BANKING ASSETS					
TOTAL ASSETS	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
LIABILITIES & CAPITAL					
Liabilities					
Borrowings from other banks, financial Institutions and agents	3.62%	2.80%	0.84%	7.64%	3.46%
DEPOSITS AND OTHER ACCOUNTS	80.56%	81.13%	80.78%	76.68%	80.21%
Current / Al-Wadeeah Deposits & Other Deposits	8.14%	9.03%	10.05%	10.08%	9.76%
Bills Payable	0.77%	0.96%	0.94%	1.52%	1.90%
Savings Bank / Mudaraba Savings Deposits	3.43%	4.01%	4.60%	5.89%	5.26%
Short Term Deposits / Mudaraba Short Term Deposits	2.51%	2.54%	2.35%	2.71%	3.02%
Fixed Deposits / Mudaraba Term Deposits	57.30%	57.75%	56.39%	51.47%	54.35%
Deposits Under Schemes / Mudaraba Deposit Schemes	8.41%	6.84%	6.45%	5.01%	5.91%

Particulars	Amount in Taka				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
OTHER LIABILITIES	7.31%	7.82%	9.71%	8.04%	8.10%
TOTAL LIABILITIES	91.49%	91.76%	91.33%	92.37%	91.77%
CAPITAL / SHAREHOLDERS' EQUITY					
Paid-up Capital	5.22%	4.75%	4.95%	4.51%	4.94%
Statutory Reserve	2.67%	2.73%	2.84%	2.62%	2.73%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Revaluation Reserve on Investment	0.07%	0.02%	0.01%	0.00%	0.02%
Surplus in Profit and Loss Account/ Retained earnings	0.55%	0.73%	0.87%	0.51%	0.55%
TOTAL SHAREHOLDERS' EQUITY	8.51%	8.24%	8.67%	7.63%	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				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
PROPERTY & ASSETS					
CASH	247.64%	214.86%	193.58%	279.50%	167.56%
Cash in Hand (including foreign currencies)	130.27%	101.20%	95.05%	145.57%	79.83%
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)	117.37%	113.67%	98.52%	133.93%	87.73%
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS					
	188.21%	198.76%	197.09%	268.72%	169.17%
In Bangladesh	145.30%	72.88%	149.64%	144.64%	20.12%
Outside Bangladesh	42.92%	125.88%	47.45%	124.08%	149.06%
MONEY AT CALL AND ON SHORT NOTICE	36.07%	24.75%	428.00%	42.06%	42.22%
INVESTMENTS	17.55%	16.55%	14.44%	11.52%	16.71%
Government	113.77%	104.08%	85.04%	111.93%	96.46%
Others	87.30%	100.61%	165.76%	86.65%	248.42%
LOANS AND ADVANCES / INVESTMENTS	226.14%	179.98%	285.08%	358.09%	152.85%

Particulars	Amount in Taka				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
Loans, Cash Credits, Over Draft etc./ Investments	120.86%	109.09%	113.08%	138.83%	82.22%
Bills Purchased and Discounted	105.28%	70.89%	172.01%	219.26%	70.63%
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURE	113.39%	517.26%	101.23%	106.24%	95.28%
OTHER ASSETS	140.63%	124.93%	118.21%	130.74%	87.10%
NON-BANKING ASSETS					
TOTAL ASSETS	115.71%	109.84%	110.37%	132.73%	86.96%
LIABILITIES & CAPITAL					
Liabilities					
Borrowings from other banks, financial Institutions and agents	91.72%	84.90%	33.21%	1203.09%	39.36%
DEPOSITS AND OTHER ACCOUNTS	644.67%	698.23%	671.28%	895.14%	562.22%
Current / Al-Wadeeah Deposits & Other Deposits	8.14%	9.03%	10.05%	10.08%	9.76%
Bills Payable	0.77%	0.96%	0.94%	1.52%	1.90%
Savings Bank / Mudaraba Savings Deposits	3.43%	4.01%	4.60%	5.89%	5.26%
Short Term Deposits / Mudaraba Short Term Deposits	2.51%	2.54%	2.35%	2.71%	3.02%
Fixed Deposits / Mudaraba Term Deposits	57.30%	57.75%	56.39%	51.47%	54.35%
Deposits Under Schemes / Mudaraba Deposit Schemes	8.41%	6.84%	6.45%	5.01%	5.91%
OTHER LIABILITIES	139.44%	117.55%	136.93%	110.00%	87.59%
TOTAL LIABILITIES	115.96%	110.15%	109.86%	134.24%	86.40%
CAPITAL / SHAREHOLDERS' EQUITY					
Paid-up Capital	117.00%	100.00%	115.00%	120.75%	95.24%
Statutory Reserve	116.94%	112.65%	114.44%	122.42%	90.86%
General Reserve					
Revaluation Reserve on Investment	440.07%	35.35%	62.40%	16.10%	898.06%
Surplus in Profit and Loss Account/ Retained earnings	71.72%	145.99%	130.60%	78.02%	93.12%
TOTAL SHAREHOLDERS' EQUITY	113.03%	106.42%	116.06%	116.88%	93.76%
Minority Interest	229.10%	108.94%	105.88%	108.41%	95.00%
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	115.71%	109.84%	110.37%	132.73%	86.96%

HORIZONTAL ANALYSIS

For the last 5 years

Consolidated Statement of Comprehensive Income

Particulars	Amount in Taka				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
Interest Income / Profit on Investment	116%	106%	90%	100%	97%
Interest / Profit paid on Deposits & Borrowings etc.	122%	97%	91%	97%	92%
Net Interest / Net Profit on Investments	-7%	9%	-1%	3%	5%
Investment Income	161%	116%	103%	106%	77%
Commission, Exchange Earnings & Brokerage	100%	98%	94%	128%	80%
Other Operating Income	122%	105%	111%	123%	87%
TOTAL OPERATING INCOME (A)	112%	123%	95%	111%	93%
Salary & Allowances	124%	144%	109%	116%	90%
Rent, Taxes, Insurance, Electricity etc.	145%	112%	122%	131%	90%
Legal Expenses	49%	203%	103%	271%	91%
Postage, Stamp, Telecommunication etc.	117%	89%	104%	120%	89%
Stationery, Printing, Advertisement etc.	106%	58%	108%	155%	76%
Managing Director's salary & fees	100%	100%	102%	125%	73%
Directors' Fee & Other benefits	140%	102%	82%	146%	89%
Audit Fees	189%	121%	50%	143%	181%
Charges on loan losses					
Depreciation and Repair of Bank's Assets	114%	129%	99%	118%	96%
Other Expenses	122%	87%	110%	174%	80%
TOTAL OPERATING EXPENSES (B)	124%	126%	110%	124%	89%
Profit / (Loss) Before Provision (C) = (A - B)	106%	121%	85%	102%	97%
Specific Provision	206%	228%	31%	193%	81%
General Provision	363%	91%	27%	49%	800%
Provision for Off-Balance Sheet items	290%	10%	268%	434%	51%
Provision for diminution in value of investments	2%	2803%	286%	9%	544%
Provision for impairment of client margin loan			61%	130%	142%
Other Provision	1%	4575%	126%	-	#DIV/0!
Total Provision (D)	193%	202%	38%	161%	96%
Total Profit / (Loss) before Taxes (E)=(C - D)	-87%	-81%	48%	-60%	1%
Provision for Taxation	165%	278%	198%	397%	154%
Current Tax	108%	68%	114%	100%	110%
Deferred Tax	58%	210%	85%	297%	44%
Net Profit / (Loss) after Taxation :	76%	120%	132%	78%	88%
Retained earnings brought forward from previous year	2153%	271%	74%	316%	218%
Net Profit available for distribution	77%	122%	130%	81%	95%
Appropriations :					
Statutory Reserve	85%	87%	129%	89%	100%
Proposed Bonus Shares					
Retained Earnings carried forward	72%	146%	131%	78%	93%
Earning per Share (EPS):	76%	120%	99%	74%	88%

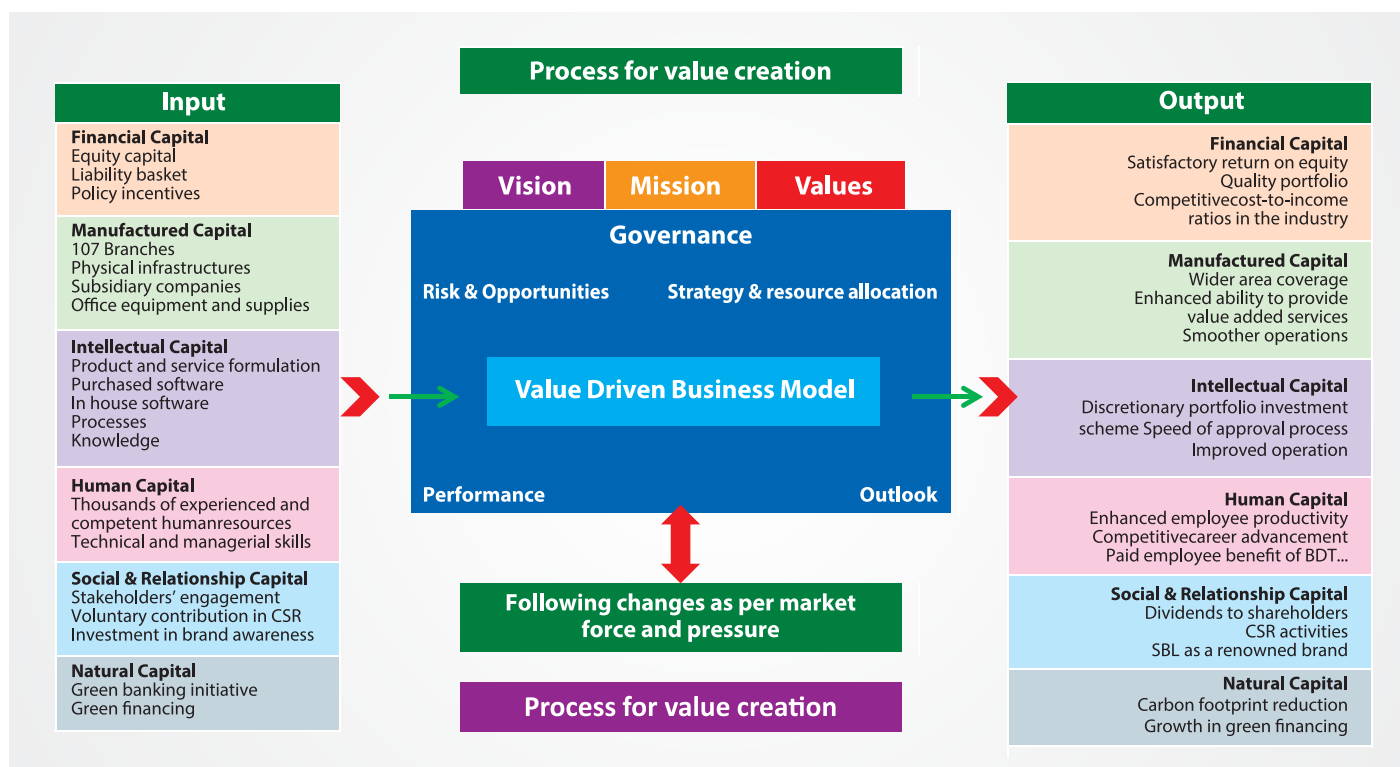
VERTICAL ANALYSIS

For the last 5 years

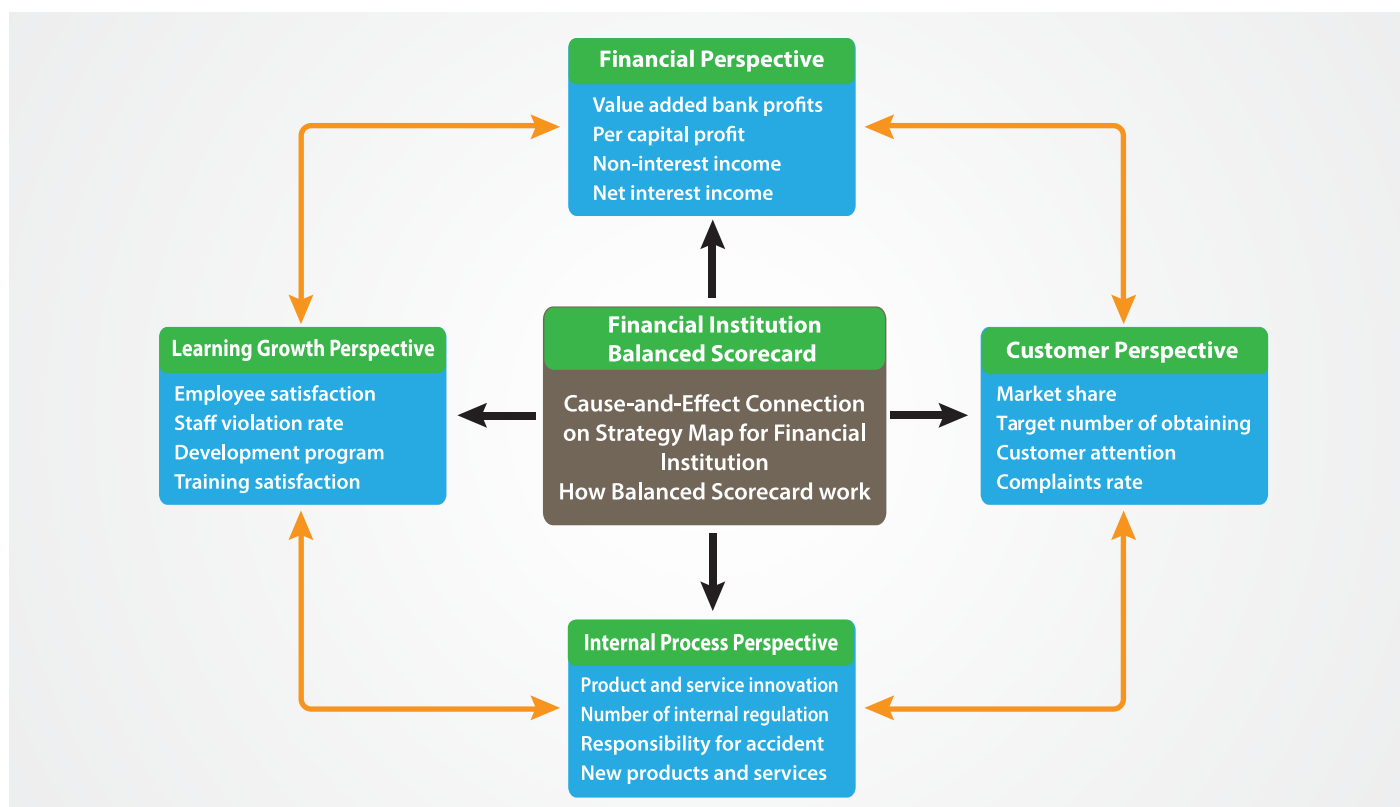
Consolidated Statement of Comprehensive Income

Particulars	Amount in Taka				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
Interest Income / Profit on Investment	79.79%	79.34%	77.36%	74.98%	78.64%
Interest / Profit paid on Deposits & Borrowings etc.	82.56%	78.47%	75.11%	70.30%	71.09%
Net Interest / Net Profit on Investments	16.15%	21.24%	20.26%	21.26%	25.13%
Investment Income	11.47%	12.53%	14.03%	14.46%	12.07%
Commission, Exchange Earnings & Brokerage	7.02%	6.43%	6.57%	8.13%	7.01%
Other Operating Income	1.72%	1.69%	2.04%	2.43%	2.28%
TOTAL OPERATING INCOME (A)	36.36%	41.90%	42.91%	46.28%	46.49%
Salary & Allowances	9.70%	13.64%	15.62%	17.40%	17.25%
Rent, Taxes, Insurance, Electricity etc.	2.67%	2.92%	3.76%	4.75%	4.71%
Legal Expenses	0.03%	0.06%	0.07%	0.17%	0.17%
Postage, Stamp, Telecommunication etc.	0.29%	0.25%	0.27%	0.32%	0.31%
Stationery, Printing, Advertisement etc.	0.78%	0.45%	0.51%	0.76%	0.63%
Managing Director's salary & fees	0.08%	0.08%	0.08%	0.10%	0.08%
Directors' Fee & Other benefits	0.08%	0.08%	0.07%	0.10%	0.09%
Audit Fees	0.01%	0.01%	0.01%	0.01%	0.02%
Charges on loan losses	0.00%	0.35%	0.39%	0.00%	0.00%
Depreciation and Repair of Bank's Assets	1.13%	1.42%	1.49%	1.69%	1.79%
Other Expenses	2.68%	2.28%	2.63%	4.42%	3.87%
TOTAL OPERATING EXPENSES (B)	17.44%	21.53%	24.89%	29.70%	28.91%
Profit / (Loss) Before Provision (C) = (A - B)	22.92%	25.96%	23.99%	23.58%	24.73%
Specific Provision	6.00%	13.36%	4.35%	8.07%	7.15%
General Provision	1.23%	1.10%	0.31%	0.15%	1.29%
Provision for Off-Balance Sheet items	0.69%	0.07%	0.19%	0.78%	0.44%
Provision for diminution in value of investments	0.01%	0.23%	0.69%	0.06%	0.35%
Provision for impairment of client margin loan	0.00%	0.76%	0.49%	0.62%	0.96%
Other Provision	0.00%	0.15%	0.20%	0.00%	0.00%
Total Provision (D)	7.93%	15.66%	6.22%	9.68%	10.18%
Total Profit / (Loss) before Taxes (E)=(C - D)	16.81%	14.37%	19.26%	16.19%	17.06%
Provision for Taxation	12.35%	8.31%	9.95%	9.69%	11.58%
Current Tax	12.31%	8.24%	9.89%	9.51%	11.49%
Deferred Tax	0.03%	0.07%	0.06%	0.18%	0.09%
Net Profit / (Loss) after Taxation :	7.29%	8.21%	11.69%	8.78%	8.35%

HOW WE CREAT VALUE



BALANCED SCORECARD



Standard Bank Limited

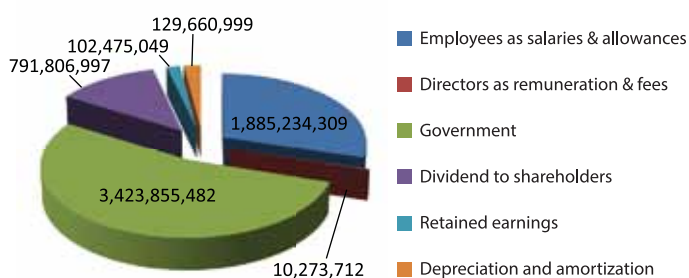
VALUE ADDED STATEMENT

for the year ended 31 December 2017

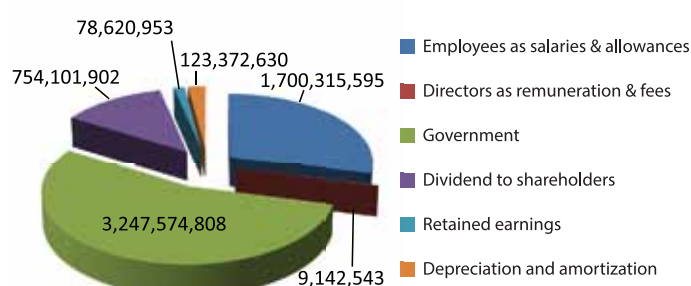
Value added statement shows exactly how much value (wealth) has been created by the bank during 2017 through its banking activities i.e. utilization of its capacity, capital, manpower and other resources and how it is allocated among different stakeholders i.e. employees, directors, shareholders, government in the form of salaries & allowances, remuneration, dividend, duties & taxes respectively and also indicates value of use of fixed assets through depreciation. Now a days the most complex and modern business environment does not earn profit for itself only rather it cares to the society and thus is committed to contribute to the economic growth. Such value is being added due to spill over economic impact due to operation of the business houses. SBL as a commercial bank, has a large scale of spill over economic impact side by side its financial impact through creating values for distributions to the society year to year. The Statement shows how the total wealth has been created and distributed among the stakeholders of the Bank in the year.

Particulars	2017 Taka	2016 Taka
Wealth creation:		
Revenue from Banking services	14,100,348,664	13,036,809,507
Less: Cost of services & supplies	(8,764,564,246)	(9,436,736,952)
	5,335,784,417	3,600,072,555
Non-banking income	-	-
Provision for loans & other assets	970,079,252	871,023,493
Total wealth creation	6,305,863,670	4,471,096,048
Wealth distribution:		
Employees & Directors		
Employees as salaries & allowances	1,885,234,309	1,700,315,595
Directors as remuneration & fees	10,273,712	9,142,543
Government	3,423,855,482	3,247,574,808
Corporate tax	998,566,861	1,008,047,802
Service tax/ Value added tax	2,285,574,821	2,114,816,356
Excise duties	139,713,800	124,710,650
Shareholders		
Dividend to shareholders	791,806,997	754,101,902
Retention for future business growth		
Retained earnings	102,475,049	78,620,953
Depreciation and amortization	129,660,999	123,372,630
Total Wealth Distribution	6,343,306,548	5,913,128,431

Wealth Distribution-2017



Wealth Distribution-2016



Standard Bank Limited

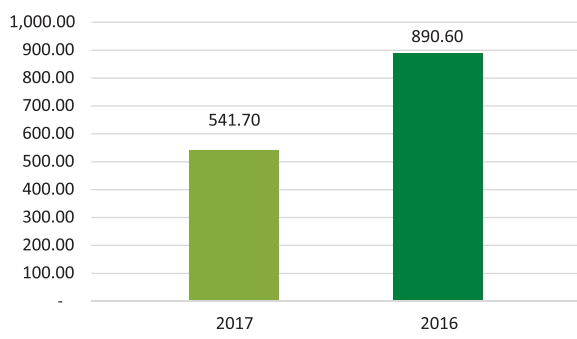
ECONOMIC VALUE ADDED (EVA) STATEMENT

for the year ended 31 December 2017

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 541 million as of December 31, 2017 as against Tk 890 million in 2016. 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	2017 Taka	2016 Taka
Shareholders equity	13,410,027,862.84	12,572,598,260.01
Add: Accumulated provision for loans & advances and other assets	3,268,672,353.01	2,956,659,001.66
Capital Employed	16,678,700,215.85	15,529,257,261.67
Average Capital Employed / Shareholders' equity	12,991,313,061.43	8,754,748,128.90
Earnings:		
Profit after tax	1,238,450,431.64	1,088,201,034.67
Add: Provision for loans & advances and other assets charged during the year	1,042,709,230.40	999,431,841.81
Less: Written off loans during the year	646,890,418.00	413,482,150.00
Net earnings	1,634,269,244.04	1,674,150,726.48
Cost of equity:		
Average cost of equity (Based on weighted average rate of 10 years treasury bond issued by the Bangladesh Government) Plus 2% risk premium	8.41%	8.95%
Capital charge (Cost of average equity)	1,092,569,428.47	783,549,957.54
Economic Value Added	541,699,815.58	890,600,768.95

Economic Value Added (Million Taka)



Standard Bank Limited

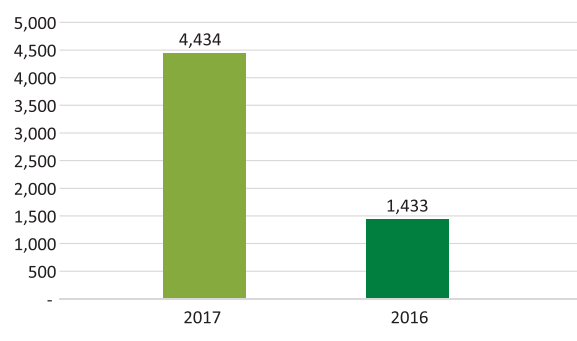
MARKET VALUE ADDED (MVA) STATEMENT

For The Year Ended 31st December 2017

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 market price of its own shares. This amount is derived from the difference between market capitalization and book value of the shares outstanding. It signifies the enhancement of financial solvency as perceived by the market. Positive and higher MVA indicate that the bank has created substantial wealth for its shareholders. On the other hand, negative MVA indicates that the wealth of the bank is lower than the capital contributed by the investors.

Particulars	2017	2016
Face value per share (BDT)	10.00	10.00
Market value per share (BDT)	15.60	11.90
Number of shares outstanding	791,806,997	754,101,902
Total market capitalization (BDT million)	12,352	8,974
Book value of paid up capital (BDT million)	7,918	7,541
Market value added (BDT million)	4,434	1,433

Market Value Added (Million Taka)



STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

for the year ended 31 December 2017

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 2017, LankaBangla Finance and its subsidiaries made a handsome contribution to Government Exchequer of an amount equal to BDT 2425 million, composed of income tax, withholding tax, VAT, withholding VAT and excise duty. This is in comparison to BDT 2112 million in 2016, reflecting its fair and consistent commitment towards national contribution.

(Amount in Taka)

GOVT. Exchequer		
Particulars	2017	2016
Income Tax	1,239,287,118	1,857,964,816
Salary	73,963,164	50,825,903
Interest on savings deposit	715,361,092	601,287,267
Payment of Supplier	25,384,206	13,697,901
House Rent	3,734,952	3,816,911
IT on Subordinate Bond	11,500,000	11,500,000
Advance IT on LC commission	9,672,218	8,395,834
Advance Corporate Tax		853,282,425
Return Submission	23,869,529	23,658,936
Cash Subsidy	19,323,899	13,997,358
Payment for Professional & Technical Services	2,766,620	457,257
IT on Local LC	13,564,185	23,042,785
Others	340,147,254	254,002,240
VAT	172,418,174	144,203,088
House Rent	41,544,959	29,012,176
LC Commission	38,913,739	44,072,761
Procurement of goods and services	49,043,816	25,471,220
Legal, Professional & Technical Fees	4,317,875	1,020,898
Director Fees	330,000	310,846
VAT on Banking Service	38,267,784	44,315,188
Excise duty	139,713,800	109,910,170
Total Paid to Government Exchequer	1,551,419,092	2,112,078,074

5 -YEARS FINANCIAL HIGHLIGHTS

Figure in Million Taka

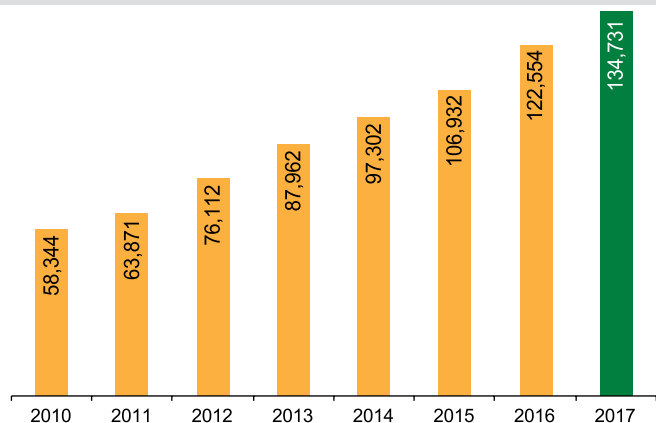
Particulars	2013	2014	2015	2016	2017
Interest Income	11,067	11,721	10,561	10,252	10,572
Interest Expenses	8,827	8,563	7,795	6,976	7,575
Net Interest Income	2,240	3,158	2,766	3,276	2,998
Non-Interest Income	2,804	3,052	3,091	2,785	3,528
Non-Interest Expense	1,864	2,323	2,583	2,837	3,201
Net Non-Interest Income	939	729	509	-52	327
Profit before Provision & Tax	3,179	3,835	3,275	3,224	3,325
Provision for Loans & Assets	848	1,713	646	999	1,043
Profit after provision before Tax	2,331	2,122	2,629	2,224	2,282
Provision for Tax (Including Deferred Tax)	1,320	909	1,033	1,136	1,044
Profit after Tax	1,011	1,213	1,596	1,088	1,238
Balance Sheet					
Authorised Capital	15,000	15,000	15,000	15,000	15,000
Paid-up Capital	5,702	5,702	6,557	7,541	7,918
Shareholders' Equity (Capital & Reserve)	9,289	9,886	11,474	12,573	13,410
Borrowings	3,958	3,360	3,247	5,284	13,425
Deposits	87,962	97,302	106,932	122,554	134,731
Other Liabilities	7,982	9,383	10,669	12,379	14,134
Liquid Assets	29,106	29,504	29,669	35,419	33,661
Money At Call & On Short Notice	1,010	250	1,070	190	450
Loans & Advances	74,181	80,449	91,487	105,039	128,228
Investments	19,168	19,854	19,109	25,533	20,234
Fixed Assets	663	3,431	3,473	3,516	3,690
Other Assets	5,241	6,548	7,692	8,815	10,120
Total Assets (Excluding off-balance sheet items)	109,191	119,932	132,321	152,789	175,699
Net Asset Value (NAV)	9,289	9,886	11,474	12,573	13,410
Off-Balance Sheet exposure	26,525	27,251	29,196	33,487	41,920
Others Business					
Import Business	51,056	53,932	51,491	55,684	66,510
Export Business	42,575	43,587	38,746	38,506	43,807
Foreign Remittance	4,464	6,526	9,781	5,764	7,563
Capital Measures					
Total Risk Weighted assets	95,206	98,976	116,936	121,009	146,143
Core Capital (Tier I)	9,107	9,860	11,044	10,404	13,337
Supplementary Capital (Tier II)	1,050	1,153	3,202	3,369	7,066
Total capital	10,158	11,013	14,246	13,773	20,404
Tier I Capital Ratio	9.57%	9.90%	9.44%	8.60%	9.13%
Tier II Capital Ratio	1.10%	1.16%	2.74%	2.78%	4.84%
Risk Weighted CAR	10.67%	11.05%	12.18%	11.38%	13.96%
Internal Capital Generation Ratio	6.86%	9.15%	10.74%	6.93%	6.88%
Leverage Ratio	7.34%	7.36%	7.40%	6.21%	6.72%
Credit Quality					
Volume of Non-performing loans	2,599	2,853	2,959	3,799	9,365
SMA loan outstanding	373	313	329	440	246

Particulars	2013	2014	2015	2016	2017
% of NPLs to Total Loans & Advances	3.50%	3.55%	3.23%	3.62%	7.42%
Gross NPL Coverage	61.25%	54.36%	53.29%	49.87%	23.39%
SMA to Credit Portfolio	0.50%	0.39%	0.36%	0.42%	0.19%
Provision for Unclassified Loans	748	868	900	1,026	1,042
Provision for Classified Loans	1,592	1,551	1,577	1,894	2,191
Provision for Off-Balance Sheet Items	265	273	292	335	419
Share Information					
Number of Share Outstanding	570	570	656	754	792
Earning Per Share (Taka)	1.77	1.85	2.12	1.44	1.56
Book Value Per Share (Taka)	10.00	10.00	10.00	10.00	10.00
Market Price Per Share (Taka)	14.80	12.70	9.20	11.90	15.60
Price Earning Ratio (Times)	8.35	6.86	4.35	8.25	9.97
Net Asset Value Per Share (Taka)	16.29	17.34	17.50	16.67	16.94
Cash Dividend (%)	10%		-		
Bonus Share (%)		15%	15%	10%	10%
Rights Share Issue	-		-		
Operating Performance Ratio					
Net Interest Margin on average earning assets	2.54%	3.27%	2.63%	2.78%	2.22%
Net Non-Interest Margin on average earning assets	1.06%	0.75%	0.48%	-0.08%	0.24%
Total operating expenses to average total assets	1.83%	2.03%	2.05%	1.99%	1.95%
Net operating income to average total assets	3.12%	3.35%	2.60%	2.26%	2.02%
Credit / Deposit Ratio(%)	84.33%	82.68%	85.56%	82.09%	83.89%
Return On Equity(ROE) %	10.88%	12.27%	13.91%	8.66%	9.24%
Return On Average Equity(ROAE) After Tax	11.55%	12.66%	14.95%	9.05%	9.53%
Return On Assets(ROA)%	0.99%	1.06%	1.27%	0.76%	0.75%
Return On Average Assets(ROAA) Before Tax	2.29%	1.85%	2.08%	1.56%	1.39%
Return On Investment (ROI)	8.85%	9.49%	9.83%	7.05%	8.91%
Price Earning Ratio (times)	8.35	6.86	4.35	8.25	9.97
Yield on average advance (%)	17.09%	14.59%	12.28%	10.56%	9.59%
Return On Average RWA	1.06%	1.23%	1.37%	0.90%	0.85%
Liquid Assets Ratio	1.17	1.06	1.08	1.12	1.14
Loan to Deposit Ratio	84.33%	82.68%	85.56%	82.09%	83.89%
Efficiency Ratio	77.08%	73.69%	76.01%	75.35%	76.42%
Debt to Equity Ratio	10.75	11.13	10.53	11.15	12.10
Net Income Ratio	7%	8%	12%	8%	9%
Operating Income Ratio	36%	42%	43%	47%	46%
Debt to Total Assets Ratio	91.49%	91.76%	91.33%	91.77%	92.37%
Asset Turnover ratio	13.61%	12.90%	10.82%	9.17%	8.58%
Times Interest Earned Ratio	1.57	1.73	1.75	1.87	1.86
Debt Service Coverage Ratio	3%	4%	3%	3%	2%
Quick Ratio	2.27	2.07	2.07	1.75	1.08
Average Branch wise Manpower	16	16	15	18	17
Total Operating Profit to Total Income	23%	26%	24%	25%	24%

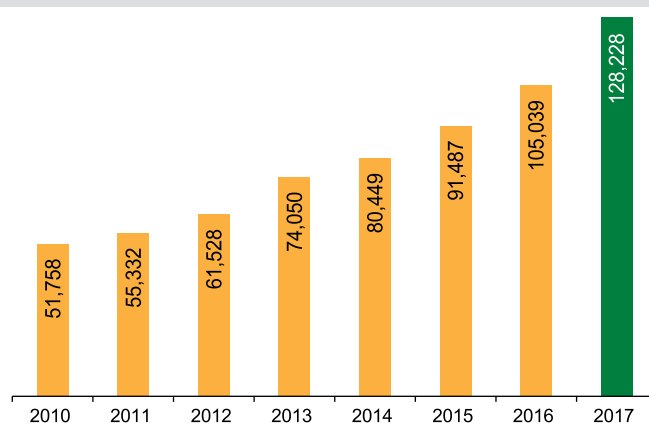
Particulars	2013	2014	2015	2016	2017
Interest expense to Total Expenses	83%	79%	75%	71%	70%
Interest Income to Total Income	80%	79%	77%	79%	75%
Operating profit per branch	36.54	39.95	31.49	28.78	27.25
Operating profit per employee	2.32	2.47	2.04	1.62	1.60
Per employee Income	10.14	9.51	8.51	6.54	6.79
Per employee expenses	7.82	7.01	6.47	4.93	5.19
Per employee Advances	54.23	51.77	57.04	52.73	61.77
Per employee Assets	79.82	77.18	82.49	76.70	84.63
Per employee Deposit	64.30	62.61	66.67	61.52	64.90
Burden Coverage Ratio	65%	52%	46%	42%	47%
NFI to Total Operating Income	20%	21%	23%	21%	25%
Cost income ratio	77%	74%	76%	75%	76%
Operating profit as % of working funds	3.85%	4.14%	3.18%	2.70%	2.49%
Net interest income as % of working funds	2.71%	3.41%	2.68%	2.75%	2.24%
Total cost of Fund	12.59%	11.03%	9.75%	8.52%	8.00%
Cost of Deposit(%)	10.51%	8.92%	7.69%	6.32%	5.71%
Administrative cost (%)	2.08%	2.11%	2.06%	2.20%	2.29%
Other Information					
Number of Branches	87	96	104	112	122
Urban	55	61	65	69	75
Rural	25	28	32	36	40
Number of SME & Agriculture Branches	7	7	7	7	7
Number of Employees	1368	1554	1604	1992	2076
Number of Shareholders	40580	37249	31984	29633	22650
Number of Foreign Correspondents	22	20	21	21	21
Average earning assets	88,290	96,734	105,188	119,456	135,215
Average Total assets	101,944	114,562	126,126	142,555	164,244
Average Deposits	82,020	92,632	102,117	114,743	128,642
Average Advance	67,854	77,315	85,968	98,263	116,634
Average Investment	17,973	19,511	19,481	22,321	22,883
Average Equity	8,755	9,588	10,680	12,023	12,991

GRAPHICAL PRESENTATION

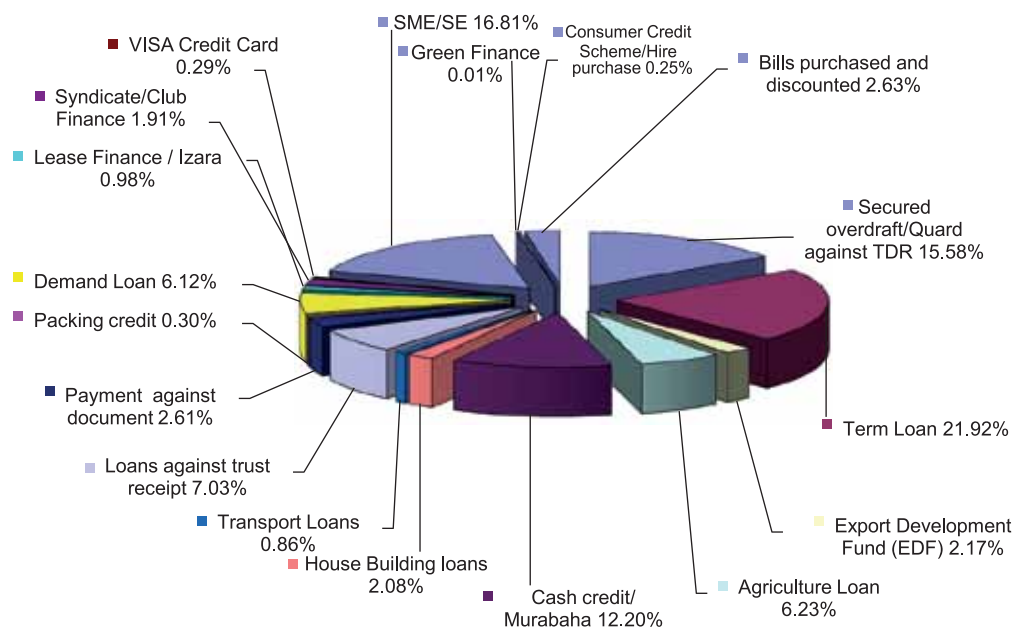
Deposit (Million Taka)



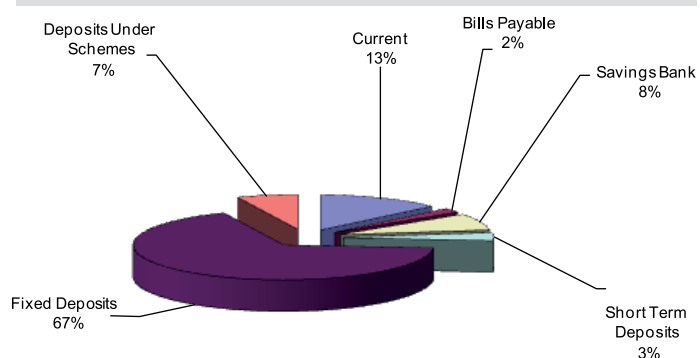
Loan & Advances (Million Taka)



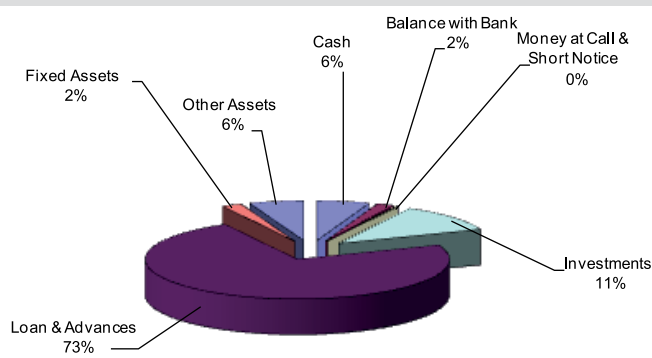
Loan Portfolio Mix- 2017



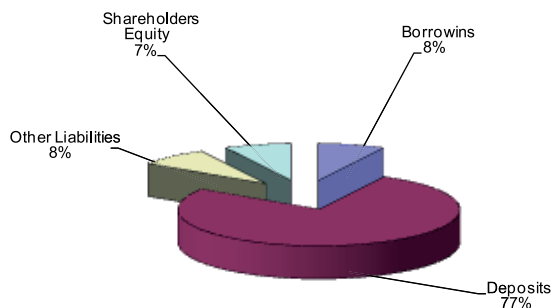
Deposit Portfolio Mix - 2017



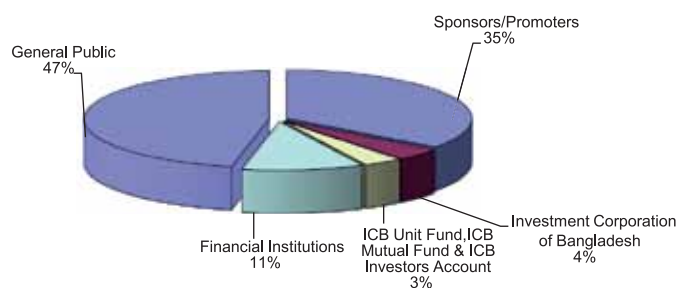
Assets Mix - 2017



Assets Funding Mix-2017



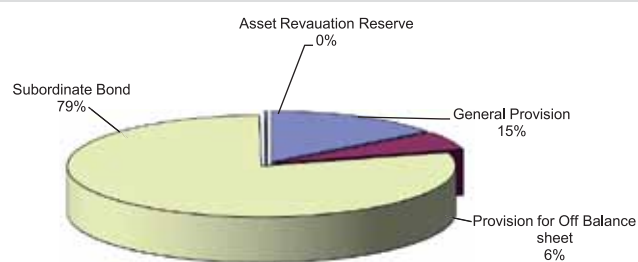
Types of Shareholding (Million)



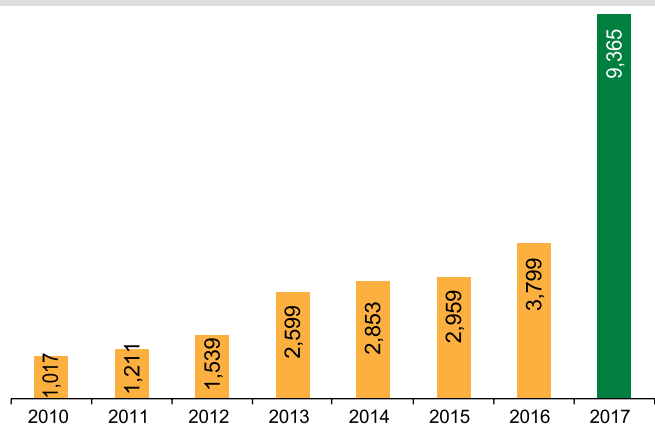
Tier- I Capital



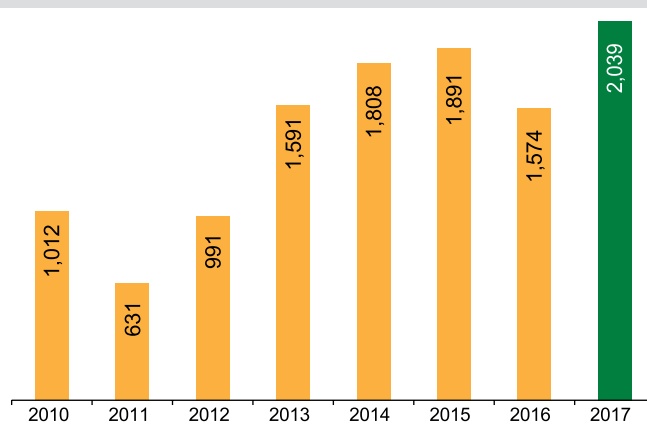
Tier- II Capital

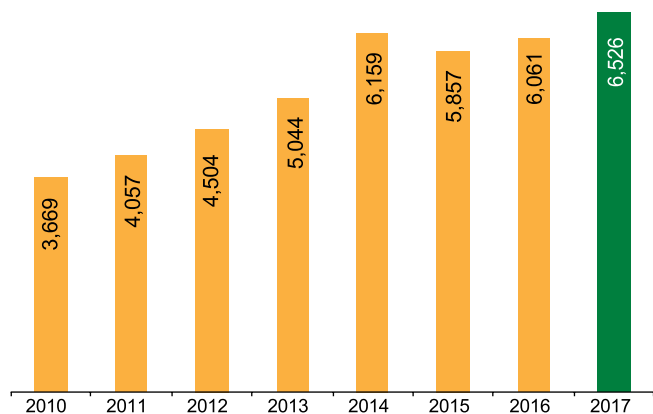
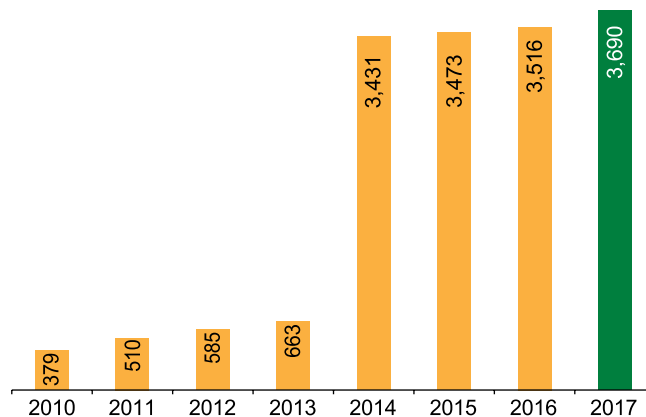
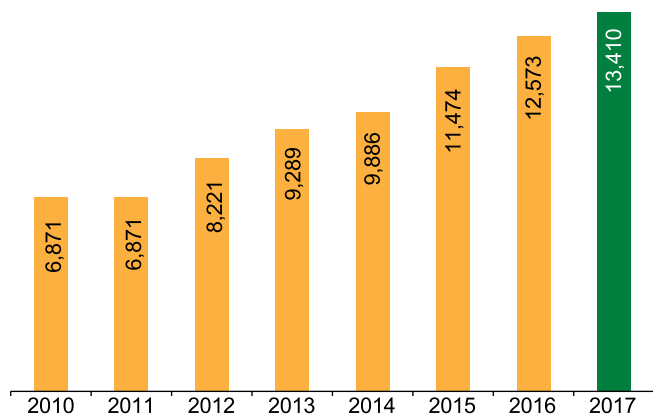
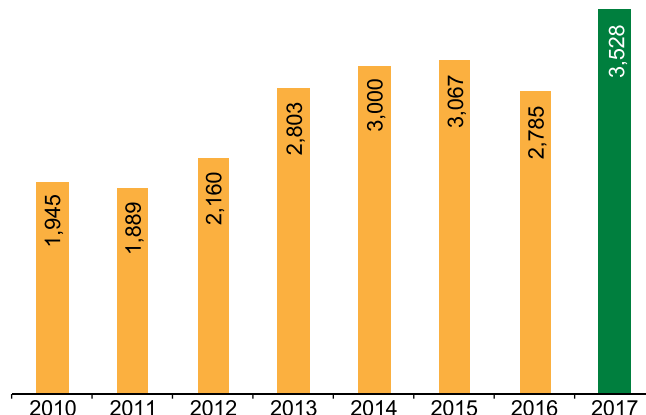
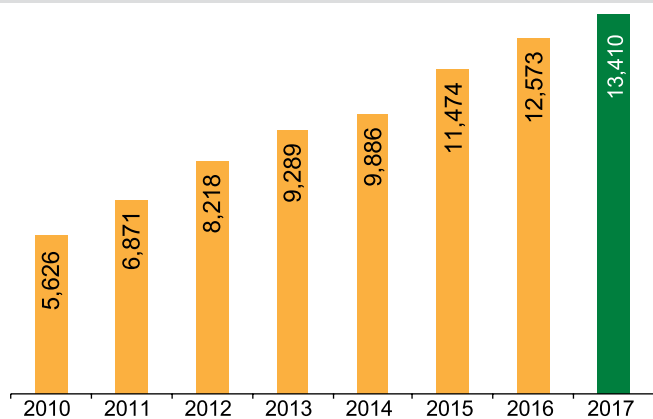
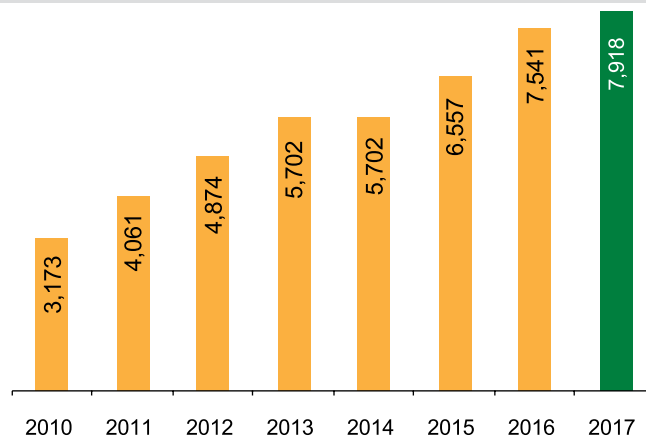


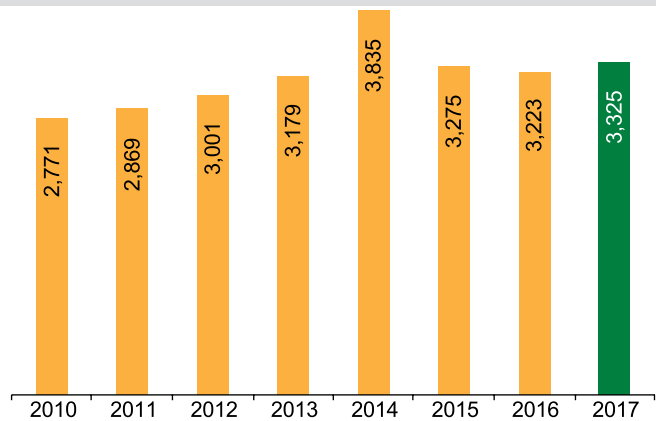
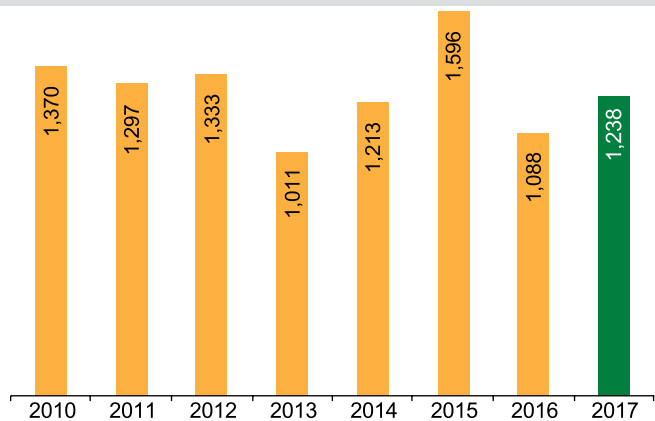
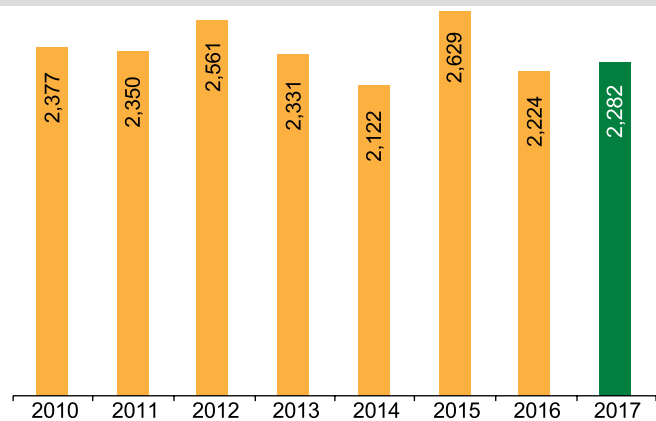
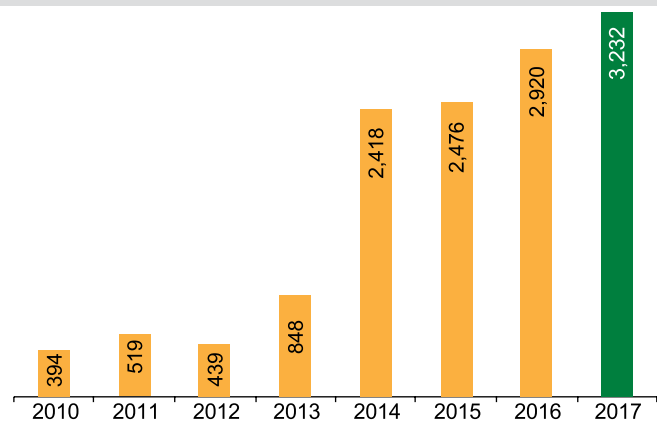
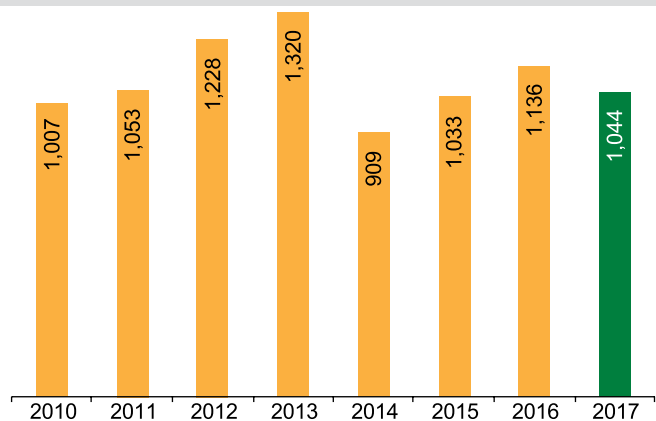
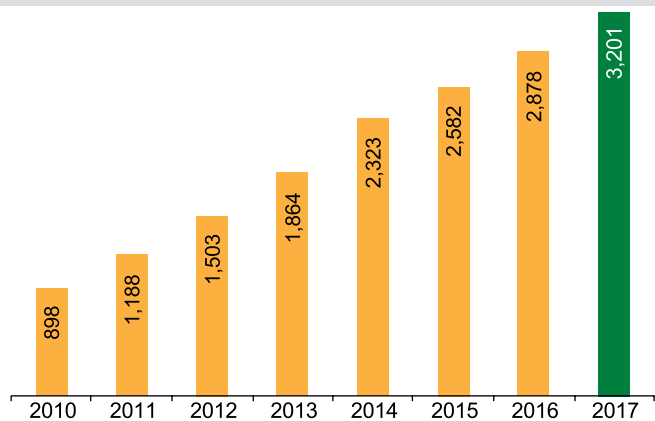
Non performing Assets (Million Taka)

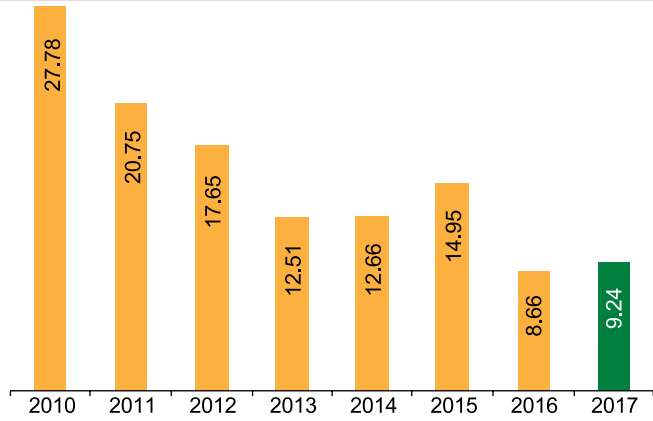
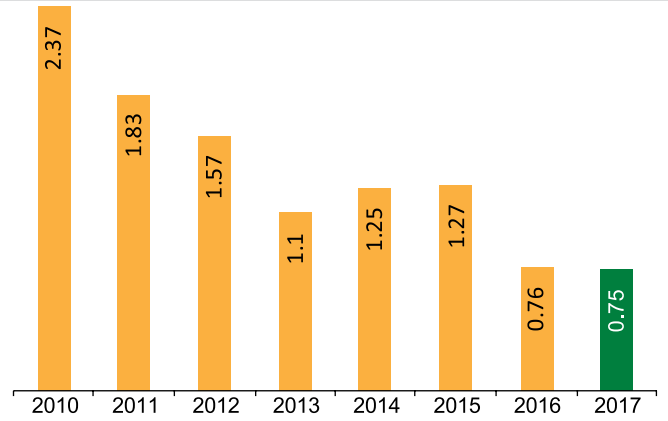
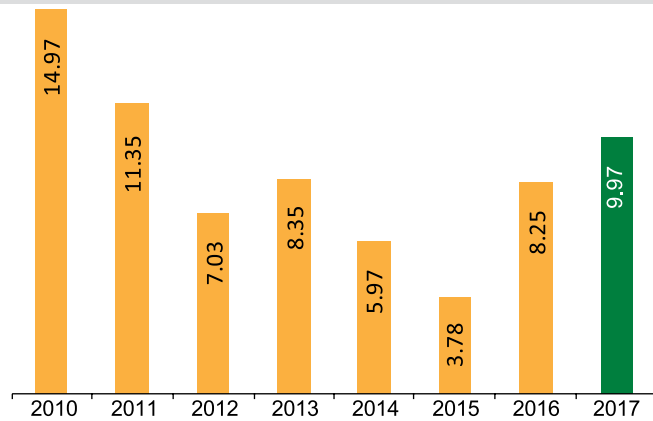
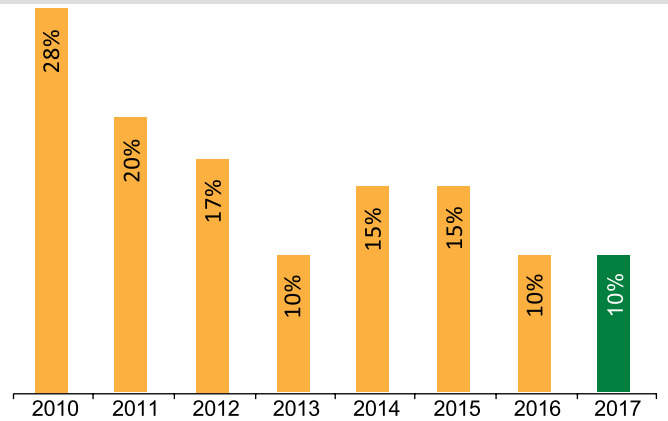
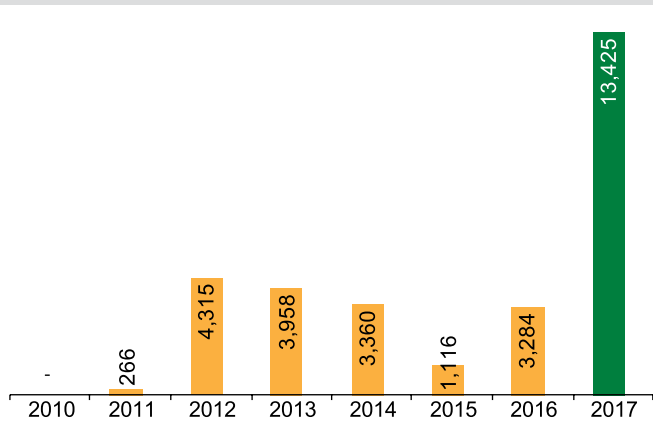
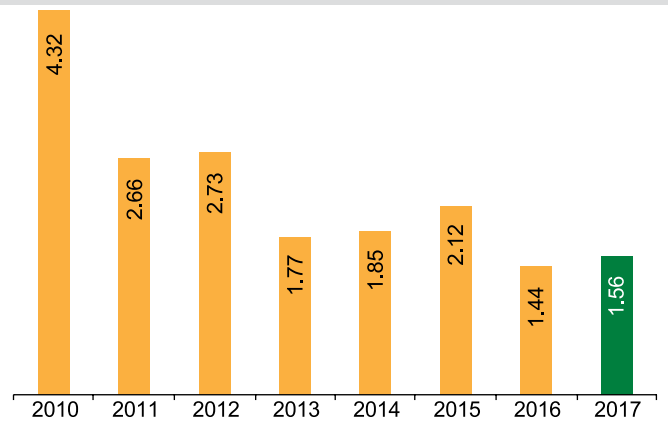


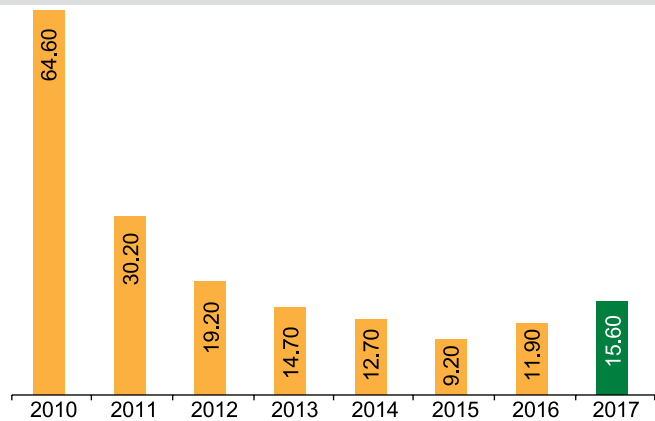
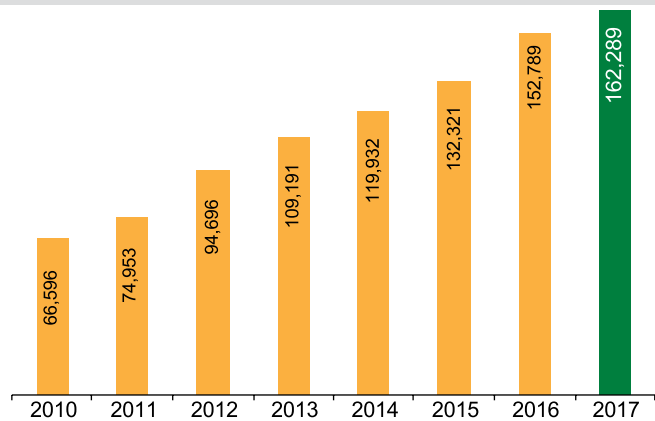
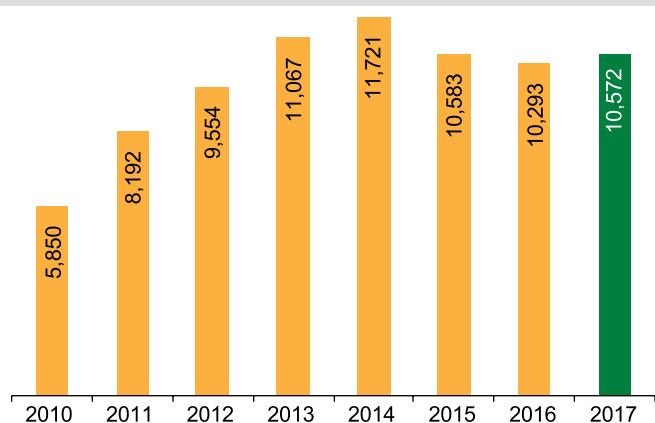
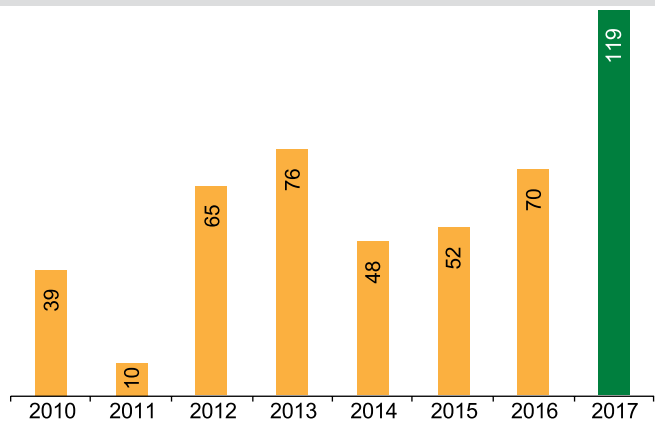
Investment Income (Million Taka)



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)**

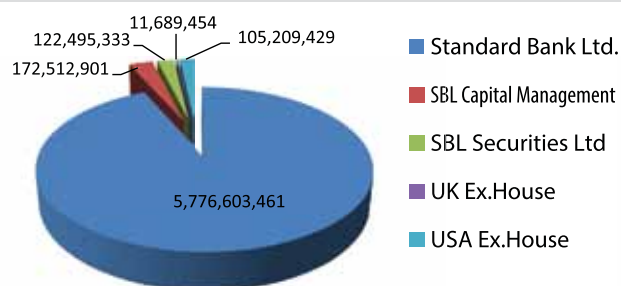
Return on Equity (Million Taka)**Return on Assets (Percentage)****Price Earning Ratio (Times)****Dividend (Percentage)****Borrowing (Million Taka)****Earnings Per share (Taka)**

Market Price Per share (Taka)**Total Assets (Million Taka)****Interest Income (Million Taka)****CSR Expense (Million Taka)**

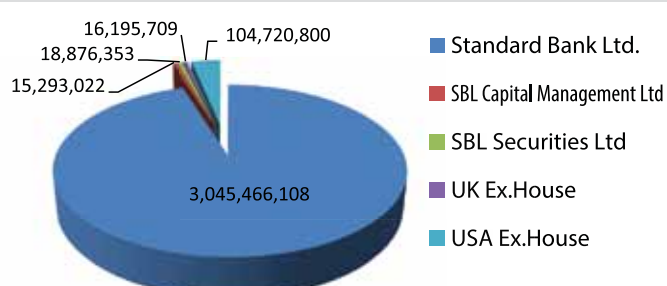
SEGMENT REPORTING

Particulars	Standard Bank Ltd.	Subsidiaries		Overseas		Total
		SBL Capital Management Ltd	SBL Securities Ltd.	UK Ex.House	USA Ex.House	
Net interest Income	2,982,554,054	(15,978,170)	36,100,456	-	218,618	3,002,894,958
Total Operating Income	5,776,603,461	172,512,901	122,495,333	11,689,454	105,209,429	6,188,510,579
Total Non Operating Income	338,332,707	1,365,700	240,997	1,317,427	1,111,611	342,368,442
Total Operating Expenses	3,045,466,108	15,293,022	18,876,353	16,195,709	104,720,800	3,200,551,992
Profit before Provision	3,069,470,061	158,585,579	103,859,977	(3,188,828)	1,600,240	3,330,327,029
Total Provision against assets	970,079,252	66,363,985	6,265,993	-		1,042,709,230
Profit before Tax (PBT)	2,099,390,808	92,221,594	97,593,984	(3,188,828)	1,600,240	2,287,617,798
Provision for Taxation	974,354,893	44,887,937	24,552,244	-		1,043,795,074
Profit After Tax (PAT)	1,125,035,916	47,333,657	73,041,740	(3,188,828)	1,600,240	1,243,822,725
Segment Assets	174,135,102,151	1,059,273,860	682,457,001	23,248,259	73,714,759	175,973,796,030
Segment Liabilities	174,135,102,151	1,059,273,860	682,457,001	23,248,259	73,714,759	175,973,796,030

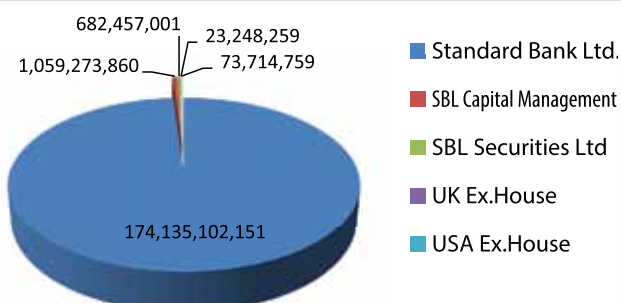
Total Operating Income



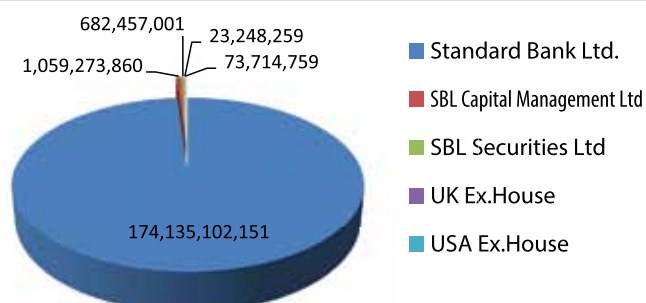
Total Operating Expenses



Segment Assets



Segment Liabilities



CREDIT RATING REPORT



CREDIT RATING

Credit Rating	2017	2016
Long Term Rating	AA	AA
Short Term Rating	ST-2	ST-2
Outlook	Stable	Stable
Validity	30 June, 2018	30 June, 2017

Credit Rating Information & Services Limited (CRISL) reaffirms surveillance rating of Standard Bank Limited to "AA" (Pronounced as double A) in the Long Term and "ST-2" in the Short Term. The rating has been conducted through an in-depth analysis of the operational & financial performance of the Bank along with all its relevant quantitative and qualitative factors. The basis of the evaluation was financials of the Bank up to December 31, 2016 and other prevailing factors up to the date of rating.

Long Term Rating: The Bank rated "AA" (High Safety) in Credit rating is adjudged to be of high quality, offers higher safety and has high credit quality. This level of rating indicates a corporate entity with sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

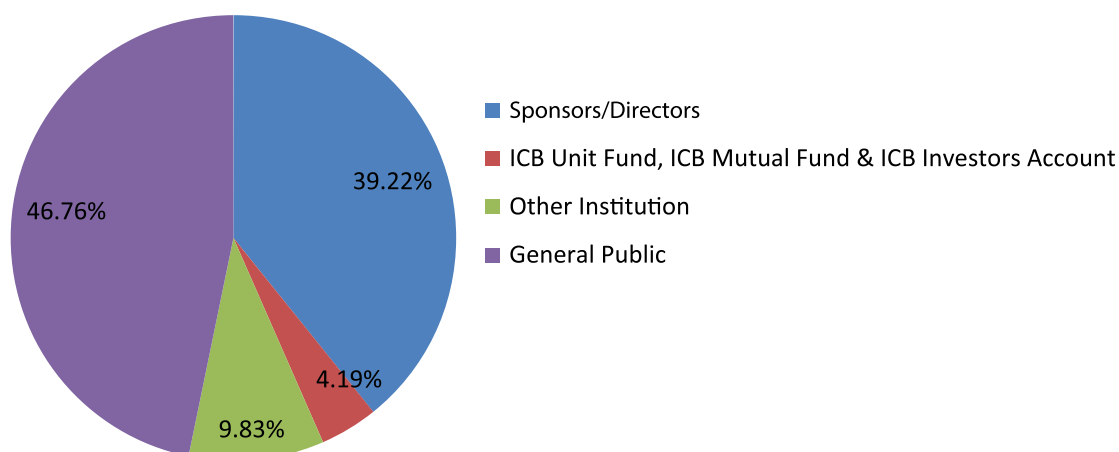
Short Term Rating: The Bank rated ST-2 (High Grade) in short term in credit rating is considered to have high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

DISTRIBUTION OF SHAREHOLDING

Share Holding Position as on 31.12.2017

Sl. No.	Designation	No. of Share		No. of shares in (%)	
		31.12.2016	31.12.2017	31.12.2016	31.12.2017
1	Sponsors/Directors	321,536,757	310570671	42.64%	39.22%
2	ICB Unit Fund, ICB Mutual Fund & ICB Investors Account	37,299,543	33176713	4.95%	4.19%
3	Other Institution	26,199,696	77834628	3.47%	9.83%
4	General Public	18,675,325	370224985	2.48%	46.76%
	Total	754,101,902	791806997	100%	100%

Share Holding Position-2017



REDRESSAL OF INVESTORS' GRIEVANCES

Standard Bank Limited is fully committed to ensuring equitable treatment of every shareholder irrespective of whether they are majority shareholders, minority shareholders, institutional investors or foreign shareholders. With a view to ensuring equal treatment of all shareholders, the bank resorts to a number of means such as the following:

The bank provides proxy forms to shareholders who are unable to attend the shareholders' meeting allowing them cast their vote on each agenda. The proxy forms, which are prepared in accordance with the standard format, are sent along with the annual report.

The shareholders' meetings are conducted according to the order of the agenda, without adding new and uniformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before embarking on a decision. Moreover, no abrupt changes to the important information are proposed in the shareholders' meeting.

The bank evaluates the importance of the consideration of transactions, which may have conflicts of interest or may be connected or related transactions. Besides, the bank religiously abides by good corporate governance principles including the rules and regulations of the Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange and the Chittagong Stock Exchange transactions. The Directors or the Management do not entertain any consideration to approve such transactions.

The bank provides a channel for minority shareholders to propose issues deemed important and appropriate to include in the agenda of the bank's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of Director.

Complaint redressal is supported by a review mechanism to minimize the recurrence of similar issues in future.

SBL follows the following principles

- Investors must be treated fairly at all times;
- Complaints raised by investors must be dealt with courtesy and in a timely manner;
- Investors are informed of avenues to raise their complaints

within the organization;

- Complaints are treated efficiently and fairly;
- SBL employees work in good faith and without prejudice, towards the interests of the investors.

Way of Redressal of Investor Complaints

- Investor can complain through email sblho@standardbankbd.com;
- An Investor can make a written complaint through letter;
- The bank maintains investor grievance file in which full detail of every written complaint enters;
- There are 2 designated persons looking after the investor grievances in due time;
- The full detail of the written complaints are passed to the concerned departments and the compliance officer of the bank is informed as soon as it is received;
- A letter or an email is written to all the investors who submits written complaints by the designated persons or the Compliance Officer acknowledging receipt of the complaint informing them that it will be dealt with;
- Audit & Compliance Department obtains all information available on the complaint, which is considered necessary for a proper investigation and subsequently look into all the necessary information for resolving them soon as possible;

The bank continues to have regular communication with the shareholders through periodic updates of performance and at any other time when it believes it to be in the best interest of shareholders generally.

Investors' inquiries/Complaint

Any queries relating to shareholdings, for example, transfer of shares, changes of name and address, and payment of dividend should be sent to the following address:

Mr. Md. Sahriaz Hossain Khan, SEO
Mr. Farhad Bin Amin, AO

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

COMMUNICATION TO STAKEHOLDERS

Annual Report 2017 and other information about SBL may be viewed on SBL's website www.standardbankbd.com. SBL provides copies of Annual Reports to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange and Chittagong Stock Exchange for their reference. Investors may read them at their public reference room or library.

Mr. Md. Sahriaz Hossain Khan, SEO
Mr. Farhad Bin Amin, AO

Contact Numbers:
PABX : +88-02-9578385,9577913,9558375,9552981
Fax : +88-02-9577898
SWIFT Code : SDBLBDDH
E-mail : sblho@standardbankbd.com,
sblho@bangla.net, sblid@bangla.net

GLIMPSES OF 18TH AGM



Honorable Chairman of the Board of Directors of SBL Mr. Kazi Akram Uddin Ahmed greeted shareholders in 18th Annual General Meeting.



A partial view of 18th 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 Launched Platinum Card



Agreement Signing between Standard Bank Ltd and Asgor Ali Hospital



Standard Bank Limited Inks with Bangladesh Bank for JICA Fund



SBL Signs Agreement with Banglalink



Standard Bank Limited signed an agreement with Election Commission Bangladesh

PROJECTS FINANACED BY STANDRAD BANK LTD.



NATIONAL TAX CARD AWARD FROM NBR



SUSTAINABILITY REPORT



Overview of Sustainability Reporting

Sustainability reporting is the practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Sustainability reporting is a broad term considered synonymous with others used to describe reporting on economic, environmental and social impacts (c.g, triple bottom line, corporate responsibility reporting, etc). It is balanced and reasonable representation of the sustainability performance of a reporting organization - including both positive and negative contributions.

Sustainability reports based on the GRI Reporting Framework disclose outcomes and results that occurred within the reporting period in the context of the organization's commitments, strategy and management approach. Reports can be used for the following purposes, among others:

Benchmarking and assessing sustainability performance with respect to laws, norms, codes, performance standards, and voluntary initiatives.

Demonstrating how the organization influences and is influenced by expectations about sustainable development; and

Comparing performance within an organization and

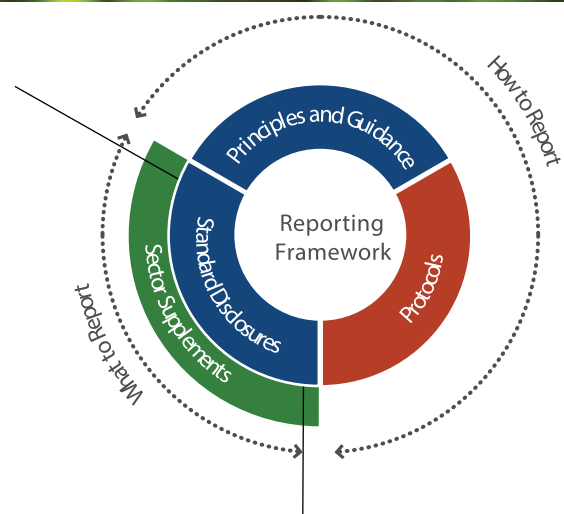


Figure 1: The GRI Reporting Framework

between different organizations over time. The followings are the recommendations to move forward on sustainability reporting:

Increasing awareness: Awareness building initiatives need to be undertaken for various stakeholder communities, both at the firm level as well as sector level. This would lead to useful stakeholder engagement and strategic commitment of the top management, making sustainability an imperative and ensuring reliable and transparent disclosures.

Industry commitment: Industry has to demonstrate a long term commitment both at a strategic and operational level to sustainable business practices. This is essential for them to

realize the potential benefits as they refine their business process and merits for performance measurement and success.

Capacity building: There is an urgent need to develop in house capabilities, as mitigation strategies are implemented. Now, the educational institutions are expected to customize their programs to include sustainability as a discipline and Bangladesh should focus on industry-university linkages to develop an institutionalized knowledge base.

Synchronizing reporting guideline with local conditions:

It is very sensitive to describe materiality disclosure including some other indicators of the company as per GRI guidelines within the present local corporate structure in Bangladesh. It requires synchronization in Bangladesh's context based on GRI framework, which is globally acceptable framework, in all sectors including small and medium enterprises.

Government's initiatives: The government can be a catalyst for ensuring speedy adoption of sustainability through policy initiatives immediately pave the way for sustainable society committed to sustainable development.

Civil society: It is well accepted that the competitiveness of a company and the well being of the communities around it are inseparable. A successful communities can create demand for products and can also provide a supportive environment to business. Sustainability operating is being emerged as a common practice of 21st century business. Where once sustainability disclosure was the province of a few unusually green or community-oriented companies, today it is the best practice employed by companies worldwide. A focus on sustainability helps organizations manage their social & environmental impacts and improve operating efficiency and natural resources stewardship, and it remains a vital component of share holder, employee and stake holder relations, Peter F. Drucker-a writer, professor and management consultant told, " what you can't

No species has altered the Earth's natural landscape the way humans have. Our impact is so extensive that we are crossing into a new geologic epoch-the Anthropocene-propelled by human behavior. Global climate change mass extinction and over exploitation of our global commons are all examples of the ways in which humans have altered the natural landscape. Our growing population, coupled with rising affluence and per capita impact, is driving our planet closer to its tripping point. With population expected to 9.5 billion by 2050, many wonder if our natural resources can keep up with our growing demands.

Ecological foot print is a measurement of the anthropogenic impact on earth. It tracks how much bio-capacity (biological capacity) there is and how much bio-capacity people use by comparing the rate at which we consume natural resources and generate waste to the planet's ability to replenish those resources and absorb waste. Today, our global foot point is in overshoot. It would take 1.5 Earths to sustain our current population. If current trends continue, we will reach 3 Earths by the year 2050.

Our planet does not have the bio-capacity to sustain our current levels of growth and resource corruption. So, what can be done to minimize our collective impact on the environment is improving technology, slowing population growth and changing global culture. Change must come from a combination of all three. Adopting human-centered initiatives targeted at addressing both population growth and consumption habits, ranging from the individual to trans-national level, are our best hope for achieving a sustainable future.

Our Vision

To be the best Private Commercial Bank in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.

Our Mission

To build Standard Bank Limited into an effective, market driven, customer focused institution with good corporate governance structure. Continuous improvement of our business policies, procedure and efficiency through integration of technology at all levels.

Our Core Values

Deliver

We deliver high standards for our customers, clients and share holders. We share a portion for serving the financial needs of people, companies and institutional investors.

Commitment

We are fully committed to achieving success for our customer, our teams and ourselves through compliance of regarding guidelines.

Trust

We have front in our team. We work together to deliver the full capabilities of our Bank to all our constitutions. We strive to be consistent and straight forward in our interactions.

Succeed

We know we succeed only when our customers communities and environment succeed. We do business in an open, direct and sustainable way.



measure, you can not manage. What you can't manage, you can not change". Sustainability reporting is therefore a vital step for managing change towards a sustainable global economy- one that companies long term profitability measuring social justice and environment care and a dedicated sustainability report is a reflection of company's commitment to the issue of sustainability, which helps companies and their stockholders identify comprehensive reference point for reporting, thereby aligning many of their CSR initiatives with goals that can be measured and monitored.

ENVIRONMENT RELATED INITIATIVES

Green Banking

Bangladesh is on of the emerging economics of the world and has witnessed rapid industrial growth over the last two decades that has contributed significantly to the rise in the country's GDP. On the other hand, we are vulnerable to risks related to environmental pollution and climate impacts in the form of natural & man-made disaster. Some of the common environmental & social concerns include land degradation, water pollution and scarcity, air pollution, biodiversity resources and impacts of natural disasters. Rapid population growth, improper use of land, poor resource management and uncontrolled discharge of pollutants are the major causes. Bangladesh is one of the most climate change vulnerable countries and floods, tropical cyclones, storm, surges, drought are likely to become more frequent and severe in the coming years. We need to protect our financing from the risks arising out of the deteriorating environment scenario and climate change. All these issues have significant adverse impacts on human health. Severe health out-breaks, ground water depletion, rapid degradation of natural habitat arising out of these irresponsible business practices activities pose significant treat to the continuity of these business activities, which in turn will adversely impact the loan portfolio of the banks if we invest in these activities without taking into account mitigation of these environment issues. As per conversation of environment and sustainable Development Goals and social protection, credit operations of banks must be conducted by addressing of environmental and social issues through Environmental and Social Risk Management. Bangladesh Bank advised to banks/financial institutions to finance eco-friendly products/initiatives to make eco-friendly finance more familiar to the all stakeholders including clients and banks/financial institutions as well as to facilitate for implementing various development plans of Bangladesh Govt. such as Perspective Plan of Bangladesh: 2010-2021, National Sustainable Development Strategy 2010-2021, Seventh Five Years Development Plan and Sustainable Development Goals (SDG).

Green Vision of the Central Bank

Recent development in green banking initiatives conveys

much significance. Bangladesh Bank has selected 52 nos. green products/initiatives under Bangladesh Bank refinance scheme in which we find 08 sectors & 06 sub-sectors with 18 nos. Products/initiatives under Renewable Energy, 07 nos. products/initiatives under Efficient Energy, 11 nos. under Waste Management, 07 nos. under Recycling & production of Recyclable products, 01 no. Alternative Energy, 03 nos. under Non-fire Block Brick project, 02 no. under Environment-Friendly Construction & 03 nos. under Others for Green financing. Central Bank has a clear vision on promoting green banking and safeguarding the environment from unusual weather pattern, rising greenhouse gases and declining air quality. A revolving fund of BDT 200 Crore has been put in place for lending under refinance scheme from renewable energy generation as well as effluent treatment plants and energy efficient kilns for manufacturing bricks. A revolving refinancing fund is also in place in the areas of Solar Irrigation Pumps, Solar Home Systems, Biogas plants, Effluent Treatment 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 a separate Sustainable Finance Division. 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 1018.68 Million for 2017 for financing under Green Finance. In 2017, Standard Bank Limited financed BDT. 2,122.67 million in ETP, Bio-gas and other renewable energy projects. At the end of the year outstanding amount of refinancing facilities got from Bangladesh Bank stood at BDT.330.70 million. We have also made investment in climate change risk fund BDT.32.00 million in the year 2017.

Green Banking Report 2017:

A.	Introducing Green Finance	Total		Remarks
		No.of Projects	Amount	
1	Effluent Treatment Plant (Project Finance Having ETP)	17	1,285.47	
2	Bio-gas Plant	01	2.50	
3	Solar Panel/Renewal Energy Plant	0	0	
4	Hybrid Hoffman Kiln (Brick Filed)	0	0	
5	Green Finance at reduced rate of interest	0	0	
	Total	17	1,285.47	
B.	Online Banking			
1	No. of ATMs (own ATM & CDM)	67		

B.	Online Banking	Total		Remarks
		No.of Projects	Amount	
1	No. of ATMs (own ATM & CDM)	67		
2	Shared ATMs (NPSB Network)	All over Bangladesh (50 Banks connected with NPSB)		
3	No. of Branches with online coverage	122		
4	No. of total accounts transaction through ADC Channel	5,02,961		
5	No. of accounts facilitated with internet Banking	7,348		
6	No. of accounts facilitated with SMS Banking	4,16,040		
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	37		
D.	Disclosure			
	Website	Uploaded on the website on the onset upto 2017		
	Annual Report	Green Banking Focus provided in Annual Report 2015, 2016 & 2017		
	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 since 2016. SBL assess total 54 nos of Projects. under EnvRR guideline of which 45 project rating as Low category, 09 project rated as Moderate category, SBL Financed under Rated project 2122.97 Million in 2017 & outstanding of those A/Cs are 1698.37 Million as on 31 December 2017.

Agriculture/Rural Credit:

Agriculture plays a pivotal role in economic growth of the country and it emerges as the largest employment sector of Bangladesh. The performance of this sector has an overwhelming impact in major Macro-economic objectives like employment generation, poverty alleviation and food security. A plurality of Bangladeshi earns their living from agriculture. Once, Bangladesh was in deficit of food but presently it is a matter of pleasure for all that Bangladesh is a food surplus country and it has been possible by dint of all out support of Government, despite of having different retrograde factors like natural disaster, climate change etc. Bangladeshi Commercial banks are playing the role of protagonist to make possible of such triumph through policy



Standard Bank Limited receiving 'Letter of Appreciation' for achieving target of Agriculture and Rural Credit Programme for the FY 2013-2014 from Bangladesh Bank.

support of Bangladesh Bank. Standard Bank Limited is trying to finance more through own capacity by improving infrastructure for selecting financing areas and prospective borrowers under agriculture and rural sector. We are very enchanted to poster that our bank achieved the given target in the last consecutive four fiscal years (FY:2013-2014, 2014-2015, 2015-2016, 2016-2017). And we already achieved target Tk.221.00 crore within December-2017 against total target Tk.197.00 crore set by Bangladesh Bank for FY:2017-2018. The Governor of Bangladesh Bank appreciated our Bank by awarding "Letter of appreciation" for achieving disbursement target under Agri/Rural credit in the fiscal year 2013-2014 & 2014-2015.

Bangladesh has great potential to raise agriculture-generated incomes, increase agriculture productivity and make it more flexible to Climate/Environmental change and improve the nutritional value of crops. The role of agriculture in the GDP of Bangladesh is remarkable. The GDP from agriculture in Bangladesh increased to 10117.30 BDT million in 2017 from 9922.80 BDT million in 2017.

It may be mentioned here that the Honorable Chairman of Standard Bank Limited has emphasized to disburse Agriculture & Rural Credit through own network instead of MFI/NGOs Linkage. The Honorable Board of Directors of the

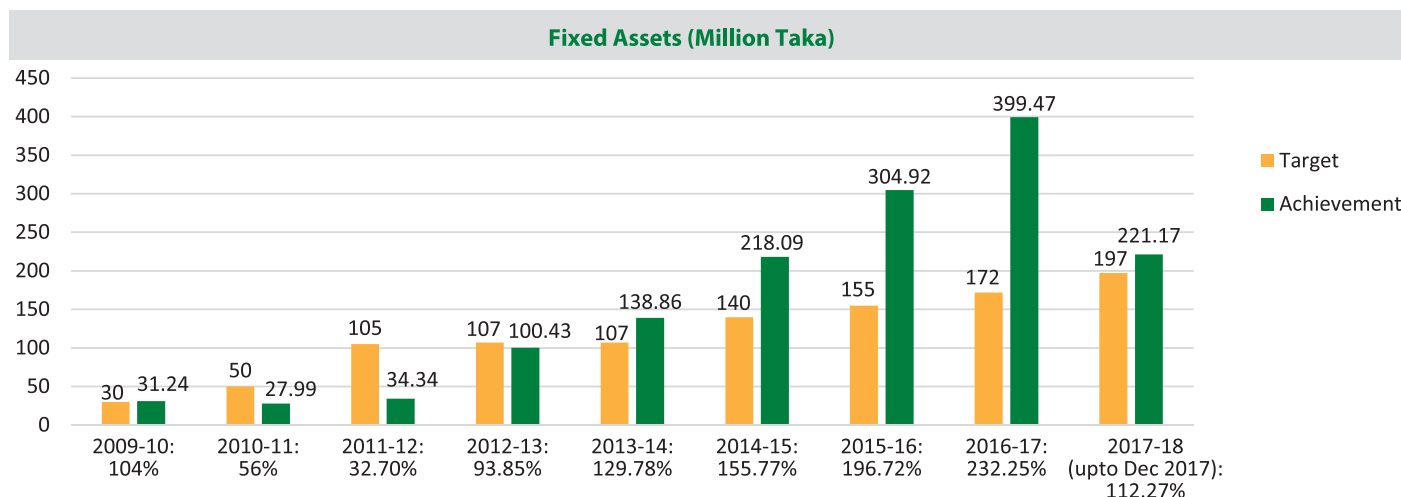
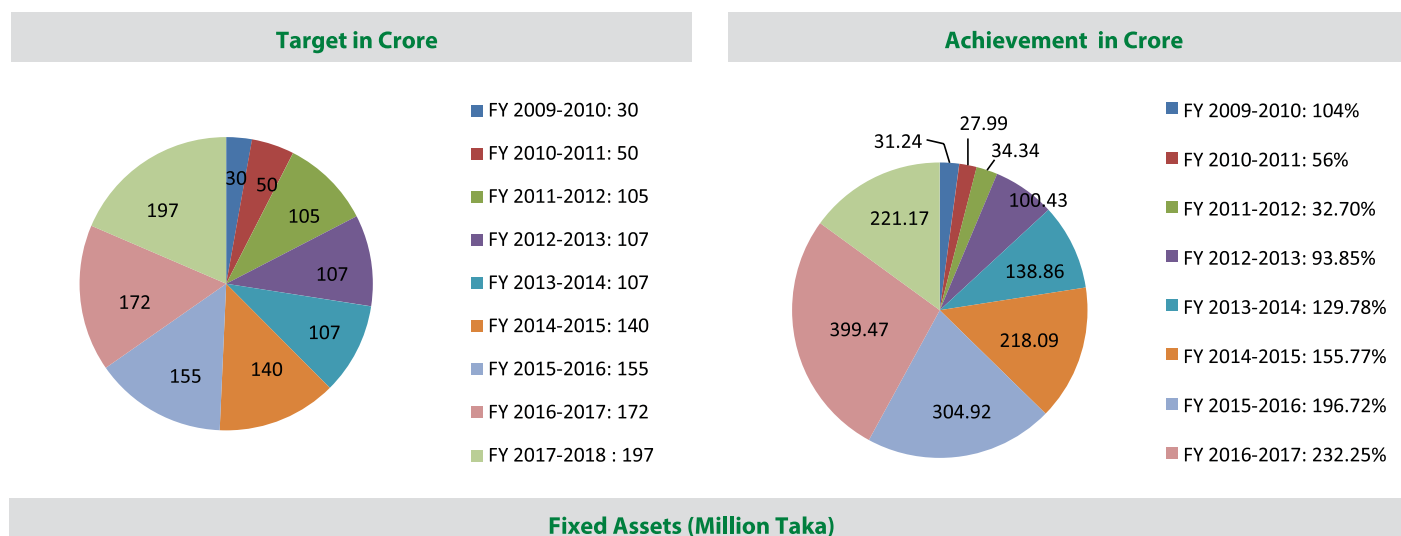
Bank permitted us to deploy 104 contractual employees-“Customer Relationship Officers” for 52 rural Branches for this purpose. These Officers are involved in selecting right borrowers, recovery of given loans, securing financing to genuine farmers under Agriculture sector in rural areas.

Agricultural and Rural Credit Performance:

In Million

Fiscal Year	Target	Performance	Achievement %
Fiscal Year	Target	Performance	Achievement %
2009-2010	300	312	104%
2010-2011	500	279	56%
2011-2012	1050	343	32.70%
2012-2013	1070	1004	93.85%
2013-2014	1070	1388	129.78%
2014-2015	1400	2180	155.77%
2015-2016	1550	3049	196.72%
2016-2017	1720	3994	232.25%
2017-2018 (upto December 31, 2017)	1970	2211	112.27%

Graphical representation of Agricultural and Rural Credit Performance from FY 2009-2010 to 31 December 2017:



Graphical representation of Agricultural and Rural Credit Performance upto 31 December 2017:



New Jamuna Shrimp Hatchery & Culture, at Kallbari Bazar, Burigoalini, Munshigonj, Shayamnagar, Satkhira, a Shrimp Seeds (Bagda) Hatchery project under Agriculture finance of Standard Bank Limited, Khulna Branch, Khulna .



M/S. Sekandar Sarang Mossow Farm, at Achura, Dulukhando, Naria, Shariatpur, a Fishery project under Agriculture finance of Standard Bank Limited, Bhojeshwar Branch, Shariatpur .



Gorapi Mosshow Farm, at Satpar, Nagar, Naria, Shariatpur, a Fishery project under Agriculture finance of Standard Bank Limited, Bhojeshwar Branch, Shariatpur .



Shourov Poultry, at Uttar Jhauchar, Horindhora, Hamayetpur, Savar, Dhaka, a Poultry Farm under Agriculture finance of Standard Bank Limited, Hamayetpur Branch, Savar, Dhaka.



M/S. Hazrat Shah Samiuddin Faruki (R.) Dairy Farm, at IKC Road, Vill-Sha Samia Nagar, Post off.- Chorphathorghata, P.S.-Karnaphuli, Chittagong, a Dairy project under Agriculture finance of Standard Bank Limited, Karnaphuli Branch, Chittagong.



Md. Balal Hossen, at Vill-Madubpur, Post off.- Shekhpura, P.S.+Dist.: Dinajpur, a Dairy project under Agriculture finance of Standard Bank Limited, Dinajpur Branch, Dinajpur.

Agriculture loan disbursement through Own Capacity & NGOs:

FY	Own Capacity	NGOs	Total
Fiscal Year 2016-2017	Tk.49.20 Crore	Tk.350.26 Crore	Tk.399.47 Crore
FY 2017-2018 (from July to December, 2017)	Tk.26.61 Crore	Tk.194.56 Crore	Tk.221.17 Crore

Special Priority Sector (Crops : Pulses, Maize, Oilseeds, Spices, etc.) at 4% Subsidized Interest Rate with 6% Compensation of Bangladesh Bank

FY	Own Capacity	NGOs	Total
Fiscal Year 2016-2017	Tk.49.20 Crore	Tk.350.26 Crore	Tk.399.47 Crore
FY 2017-2018 (from July to December, 2017)	Tk.26.61 Crore	Tk.194.56 Crore	Tk.221.17 Crore

MFIs/NGOs Linkage:

Micro Finance Institutions (MFIs)/Non-Government Organizations (NGOs) play an significant role in association with Banks for the alleviation of rural poverty in Bangladesh. For financing under Agriculture sector partnership has been built between the Government and Banks, Non-Bank Financial Institutions and MFIs/NGOs. Considering the limited coverage areas of Bank Branches & to ensure the finance under Agriculture sector, these MFIs/NGOs work as medium to reach the borrowers at remote territory. Standard Bank Limited already financing under NGO linkage credit program. MFIs/NGOs disbursed Loan under Agriculture sector in 2017 financed by Standard Bank Limited are as follows:

1. Aungkur Palli Unnayan Kendra
2. Bangladesh Extension Education Services (BEES)
3. ECO Society
4. Ulashi Sreejony Sangha
5. Shishu Niloy Foundation (SNF)
6. Rural Reconstruction Foundation (RRF)
7. Society for Social Advancement of Rural People
8. Development Organization of the Rural Poor (DORP)
9. AID Foundation
10. SETU
11. Ambala Foundation
12. Manabik Sahajya Sangstha
13. Village Education Resource Center (VERC)
14. Grameen Manobik Unnayan Sangstha
15. Bangladesh Social Development Academy (BSDA)
16. Resource Development Foundation (RDF)
17. United Development Initiatives for Programmed Actions (UDDIPAN)
18. ANTAR Society for Development
19. People's Oriented Program Implementation (POPI)
20. ARS-Bangladesh
21. Padakhep Manabik Unnayan Kendra
22. Proyas Manobik Unnayan Society
23. Samannita Jonokallyan Kendra (SJK)
24. UDOY
25. Social Advancement Through Unity (SATU)
26. Samajik Seba Shonghothon (SSS)
27. Shakti Foundation for Disadvantaged Women
28. Bangladesh Association fro Social Advancement (BASA)

29. Gana Unnayan Kendra (GUK)
30. National Development Programme (NDP)
31. Anannyo Samaj Kallyan Sangostha (ASKS)
32. Association for Socio Economic Advancement of Bangladesh (ASEAB)
33. Christian Service Society (CSS)
34. Dak Diye Jai
35. Village Association for Social Development (VASD)
36. Association for Advancement & Development (ADD)
37. Rural Health Education and Credit Organization (RHECO)
38. Development Activities of Society (DAS)
39. WAVE Foundation
40. Atmabiswas
41. Perfect Development Foundation
42. Socio Economic Backing Association
43. United Social Human Advancement

MFIs/NGOs under SBL Financing under Agriculture Sector:

Loan Disbursement Ceremony under Agriculture sector by SBL through MFI – Anannyo Samaj Kallyan Sangostha (ASKS), an NGO of Bangladesh & a Borrower of SBL, Pabna Branch, Dhaka.



United Social Human Advancement (USHA), an NGO of Bangladesh & a Borrower of SBL, Islampur Branch, Dhaka.



Proyas Manobik Unnayan Society, an NGO of Bangladesh & a Borrower of SBL, Rohanpur Branch.



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



Christian Service Society (CSS), an NGO of Bangladesh & a Borrower of SBL, Khanjahan Ali Branch



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



Association for Socio Economic Advancement of Bangladesh (ASEAB), an NGO of Bangladesh & a Borrower of SBL, Pabna Branch.

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

Association for Socio Economic Advancement of Bangladesh (ASEAB), an NGO of Bangladesh & a Borrower of SBL, Pabna Branch.

Agri/Rural Credit Disbursement Target for FY 2017- 2018

For Fiscal year as per Bangladesh Bank circular, Standard Bank Limited already disbursed within December 2017 of the given Target BDT 1970 Million for FY 2017-2018 m under Agriculture & Rural Credit. Though the disbursement target is 14.53% higher than the preceding Fiscal year's Target BDT 1720 Million, we achieved it successfully. For Sanctioning under Agriculture & Rural Credit, Standard Bank Limited always meet up the terms of Bangladesh Bank Agricultural & Rural Credit Policy & Program for respective Fiscal Years. SBL is on the right track to achieve the annual target given by Bangladesh Bank in financing under Agri/Rural Credit already disbursed BDT 2211.70 Million (112.27% achievement) (Through Own Network: 266.10 Million & Through NGO Linkage: 1945.60

Million). Moreover, we Achieved 3.33% target by financing BDT 0.15 Million against target of BDT 4.50 Million under Special Priority Sector Crops (Pulses, Oil Seeds, Spices & Maize) upto December 31, 2017 through own Branches. Hopefully, we will achieve the given Target for Financing under Special Priority Sector Crops (Pulses, Oil Seeds, Spices & Maize) within July, 2018.

Financial Inclusion:

Partnership Agreement for disbursement of Tk.10.00 Crore under Refinance Scheme under Financial inclusion program of 10 Taka account holder between Bangladesh Bank & Standard Bank Limited was signed on 21st August 2014, for financing in small/marginal/landless farmer, poor income generating people, affected people by natural disaster & marginal/small business. Standard Bank Limited financed total amount of BDT 45.33 million under this program from own capacity among total 1003 no. (Male: 712 & Female: 291) of clients. In this year-2017, total financed amount is BDT 13.88 Million among total 281 nos. of individual (Male: 237 & Female: 44).

SME Banking

Introduction:

Small and Medium Enterprise (SMEs) are the backbone of global economic activity. They are the fundamental part of the economic fabric in developing country, and they play a crucial role in almost every economy of the world. These sectors

private sector employment and 56% to national economies GDP. So, increased SME has a direct effect on GDP growth due to increased output, value added and profits. Bangladesh government has already identified it as a thrust sector and



contribute to economic development, employment creation, poverty alleviation and social stability. In rising economics, these enterprises account influence for almost 60-70% to

Bangladesh Bank, in line with the stance, has given top priority for financing in this sector.

Increased Access to Finance will Foster efficient Growth in the SME Sector:

Increased SME growth has a direct effect on GDP growth due to increased output, value add and profits. The GDP contribution per SME is the difference between the return on capital and the cost of capital. Returns on capital are often high, which is considerably higher than typical interest rates. The relationship between increased SME and GDP growth is touched upon in the World Bank's report, Finance for All: "If entry, growth, innovation, equilibrium size and risk reduction are all helped by access to and use of finance, it is almost inescapable that aggregate economic performance will also be improved".

Role of Standard Bank Ltd on SME:

Since beginning, Standard Bank Ltd now has been rendering banking services by 125 branches along with 2 Islamic branches all over the country through improved customer service, creative activities & commercial integrity equipped with all modern services. As per guideline of Bangladesh Bank, Standard Bank Ltd has taken active role to increase SME Financing out of its total loan portfolio. Considering the importance of SMEs in the economy of our country, Standard Bank Limited has formed a separate SMEs Division for maintaining full scale operation of SME financing activities. All of our branches are now ready to serve any SME customers through dedicated and well trained SME officers.

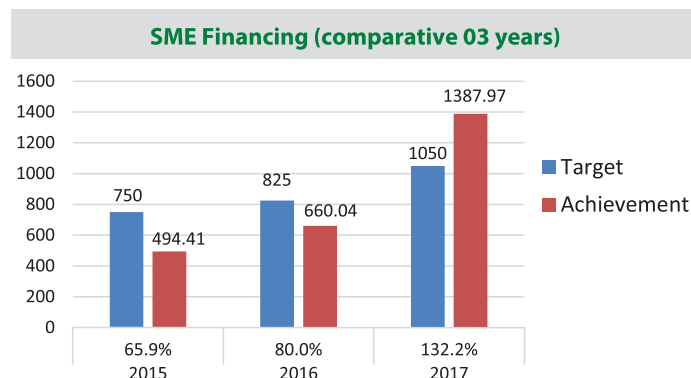
Performance of Standard Bank Ltd at a glance:

SME Division of Standard Bank Limited has already assigned dedicated SME officers all of the branches to have greater access to market and to unleash the potential. SME division distributional channels are shelving all possible banking solution to SME customers across the country. All branches have been advised to take all necessary action to expand credit to the SME sector with priority to women entrepreneurs. A yearly target of Tk. 1050.00 Crore has been set up for the year 2017 and communicated to the branches. Branches have been disbursed Tk.1387.97 Crore under SME sector during 2017 while the it was Tk. 660.04 Crore up to December 2016.

Comparative Business Performance on SME financing up to 31.12.2017 are appended below:

Enterprise	Disbursement during the year			Yearly Target			Achievement (%)	Outstanding as on 31.12.2016	Outstanding as on 31.12.2017
	2015	2016	2017	2015	2016	2017	2017		
Small	324.97	475.89	705.33	300.00	363.00	461.98	152.68 %	152.68 %	489.19
Medium	169.44	184.15	682.64	450.00	462.00	588.02	116.09 %	116.09 %	299.47
Total	494.41	660.04	1387.97	750.00	825.00	1050.00	132.19 %	132.19 %	788.66

Graphical representation of SME Financing (comparative 03 years) are appended below:



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. 13.32 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.

Focus on some problems in processing proposals:

- 1) Since SME Finance is a supervising credit, it requires proper evaluation of client's, having good cash flow. Financial information is very important while selecting a new client, past records and clients business background to be assessed obtaining information from the client as well as from the market sources.
- 2) In most of the cases, Branch Manager/Sub Manager/Credit Officer does not read Legal opinion properly. Moreover they do not scrutinize the title deed & Khatian Parcha as per Legal opinion.
- 3) In most of the cases, Branches do not send personal net worth of the borrower/guarantor, which is most important for sound SME Finance with due verification.
- 4) In most of cases, Branches do not sent the Branch visit report of collateral security & business premises properly.
- 5) Guarantor's information & consent letter of third party mortgagor is not sent in most cases.
- 6) In most of renewal cases, Branches do not compare financials / balance sheet prior to preparation of loan proposals.
- 7) Almost all the Branches do not make proper monitor of SME loans.
- 8) As it was instructed to the Branch to send the renewal proposal at least 02 (Two) months before the expiry, but most of the Branch did not follow the instruction.

The Branches should channelize their all out efforts to identify potential entrepreneurs, then promote for SME financing followed by proper monitoring/follow up of the loans for recovery of the due installments, good business turn over and renew/adjust other loans in time and keep all loans as good assets.

Events and Fairs on SME participated by Standard Bank Limited up to 2017:

1. Banker-SME Nari Uddogta Somabesh & Ponya Prodorshoni-2017 organized by BB which was held on 06-11 March'2017 at Bangladesh Mohila Somity, Baily Road, Dhaka.
2. "2nd SME Banking Match Making Fair" of 9th International Women's SME Expo Bangladesh- 2015 organized by Chittagong Women Chamber of Commerce & Industry (CWCCI).
3. SME entrepreneurs-Bankers fair arranged by SME Foundation & Bangladesh Bank at Hotel Sonargaon.
4. 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

CSR is about (i) taking stock of the economic, social and environmental impacts of a business, (ii) mitigating the negative impact and bolstering the benign impacts (iii) taking up action programs and community investment to reduce social exclusion and inequality and to address the key sustainable development challenges.

In line with the conformity SBL involves in various activities apart from usual banking. As guided by Bangladesh Bank, Standard Bank Ltd. has enthused itself into a broad range of direct and indirect CSR engagements including advancement of education for all the poor and underprivileged community, preventive and curative health support for the under privileged population segment, humanitarian relief and disaster response including Rohingyas, widening of greening initiatives arresting environmental degradation and so forth. The endowment of Standard Bank Foundation has growth to a significant size since its inception in 2010. Standard Bank takes part to eliminate the impropriety in the society, to create fellow feeling among the citizens of the country, motivate people to do good works and conserve nature. Thus education, health care, creation of social awareness, rehabilitation of destitute, standing beside the victim caused by natural disasters, preserve the art & culture of the country and address human sufferings arising out of different causes are some of the important areas where SBL has been carrying out its social and philanthropic representation.

Summary of CSR contribution during the year 2017 is here in under

Sl. No.	Sectors/Initiatives (Social project + Community Investment)	2016	
		Budget	Actual
01	Education	3.00	1.71
02	Health	2.00	0.32
03	Disaster Management	3.50	11.31
04	Environment	1.00	0.00
05	Cultural Welfare	0.30	3.50
06	Infrastructure improvement in remote/underprivileged area	0.05	0.00
07	Income generating activities for the underprivileged population	0.00	0.00
08	Others	0.15	1.14
	Total	10.00	17.98

Some of the CSR activities of SBL in 2017

Investment in Education

Standard Bank Ltd. stands besides the meritorious students of low income family in reputed academic and vocational training institutions by granting scholarships/stipends. We also support for upgrading of facilities in academic and vocational training institutions subsequently engaged with students and trainees from the under privileged rural & urban population.

Our commitment to education helps the poor and meritorious students to discover their potentiality in the area of academic



Standard Bank Ltd. donates BDT.500.00 million to Hon'ble Prime Minister's Shikkyo Sahayata Trust, Suchona Foundation & Jatir Janak Bangabandhu Sheikh Mujibur Rahman Memorial Trust

development. Recognizing education as a focus area of the bank's CSR activities, the bank has donated BDT.6.48 million in the focus of scholarship/stipend to the poor and meritorious students and expensed BDT.10.58 million for education sector in social intervention and supplementing initiatives to the community in the year 2017.

Health Care

Preventive and curative healthcare support for underprivileged people the next aim of Standard Bank's CSR initiatives. Supportings in this regard are direct grants i.e, incurring the costs of curative treatment of patients, costs of existing service rendering hospitals/diagnostic centres, costs of preventive public health and hygiene initiatives like provision of pure drinking water, hygienic toilet facilities etc. for poor and floating population.

In the year 2017 the bank has expensed BDT.3.20 million under Health sector in curative treatment of individual patient and procurement of medical equipment to hospitals.

Donation to Dhaka Shishu Hospital

The bank donates BDT.2.50 Million under community investment in Health sector of Bank's CSR activities to Dhaka Shishu Hospital for procurement of medical equipment to upgrade some of the departments in order to provide better services to poor children.



Disaster management

Disaster management is a collective term encompassing all aspects of planning for and responding to emergencies and disasters, including both pre-and post-event activities. It refers to the management of both the risk and the consequences of an event. It is also a systematic process aimed at reducing the negative impact and/or consequences of adverse events.

Donation to Hon'ble Prime Minister's Relief Fund for financial assistance to the Rohingya.

We know more than 01 million oppressed Rohingya came in Bangladesh from Rakhaine State of Myanmar in 2017. Standard Bank Stand beside the helpless Rohingya & donatd BDT.500.00 million to Honorable Prime Minister's Relief Fund for purchasing & distributing relief materials.



Donation to Honorable Prime Minister's Relief Fund for flood affected people.

Standard Bank Ltd. donates BDT.30.00 million to Honorable Prime Minister's Relief Fund for the flood affected people in Bangladesh in 2017.



Donation of Blankets to Hon'ble prime minister relief Fund

As a part of Corporate Social Responsibility (CSR), Standard Bank is distributing blankets among the distressed people of cold stricken areas in Bangladesh every year. In the year 2017, Bank donated 75,000 blankets to Hon'ble Prime Minister's Relief Fund for winter-affected people in the country.



Art, Cultural Welfare and Sports

Art is a creative work generally, or its principles; the marking or doing to things that have form and beauty: art includes painting, sculpture, architecture, music, literature, drama, dance etc. Culture is among other things, the products of the training and refining of the mind, emotions, manners, tasks etc. Art and culture plays an important role for development of a nation. Standard Bank always promotes Bangladeshi art & culture. During the year 2017 the Bank contributes BDT. 30.00 million to Jatir Janak Bangabondhu Sheikh Mujibur Rahman Memorial Trust and BDT.5.00 million to Sheikh Kamal International Club Cup-2017 for promoting art, culture & sports.



Bank distributed relief materials among flood affected poor people of different villages of Rangpur and Kurigran.

Others CSR activities

Since its inception Standard Bank takes a move to promote humanity, moral values and patriotism as well as for well being of society and country. During the year 2017, bank donates BDT.11.14 million to individuals for assisting education, treatment etc. and operating Day Care Centre.

Financial Inclusion through Financial Literacy

Standard Bank emphasis for financial inclusion especially among the students and street children towards educate them about financial literacy. We have arranged/participated many school banking conferences/fairs all over the country in the year 2017 under the supervision of Bangladesh Bank for making familiar the students, teachers and guardians about school banking and financial literacy. Standard Bank opens the accounts of students (Rising Star). There are 4,394 no. school banking accounts are running with credit balance BDT.7.02 crore as on 31st December 2017. Among these 2,681 male students accounts and 1,713 female students accounts are running with credit balance BDT.2.32 crore and BDT.4.70 crore respectively.

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 2017 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 2017 annual integrated report covers the period between 1st January 2017 and 31 December 2017. All materials that matters, up to group board of directors (Board) approval on 04 April 2018, are included here. The annual integrated report reflects operations of Standard Bank Limited and its subsidiaries. Unless indicated otherwise, all data pertains to the group, which includes our financial operations and subsidiaries. In presenting the Annual Integrated Report, we have consistently followed the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC). In explaining the Company's operations and financial performance, financial information has been extracted from the Audited Financial Statements for the year ended 31 December 2017 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 (Amended upto 2013);
- 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 2017 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 2017 complemented our day to-day stakeholder engagements, going beyond these engagements and placing particular emphasis on aspects that are likely to influence the social, economic and physical environments in which we operate. Based on our leadership engagement, governance processes and our formal and informal stakeholder engagement initiatives, particularly with investors, we are confident that all material matters have been identified and disclosed in this report. Management of group functions and the business units approved the relevant content in the annual integrated report.

External Assurance

Sl.	Particulars	Increase/(decrease) in percentage
1	Consolidated and Separate Financial Statements of Standard Bank Limited	Khan Wahab Shafique Rahman & Co. Chartered Accountants
2	Financial Statements of Standard Bank Limited	Khan Wahab Shafique Rahman & Co. Chartered Accountants
3	Financial Statements of Standard Bank Capital Management Limited	Khan Wahab Shafique Rahman & Co. Chartered Accountants
4	Financial Statements of Standard Exchange (UK) Limited	Jahan & Co. Chartered Management Accountants
5	Financial Statements of Standard Co (USA) Inc	KM Haque CPA, PC
6	Corporate Governance	Mahfel Huq & 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	Khan Wahab Shafique Rahman & Co. Chartered Accountants

The Management as well as Managing Director of Standard Bank Limited acknowledges the responsibility to ensure the integrity of the disclosure contained in the Integrated Report presented herewith that comprises the discussion and analysis, disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. In his opinion, the integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international integrated reporting framework and addresses all material issues and fairly presents the group's integrated performance.

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Auditors' Report to the Shareholders of Standard Bank Ltd.

We have audited the accompanying consolidated financial statements of Standard Bank Limited and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of Standard Bank Limited (the "Bank") which comprise the consolidated and separate balance sheets as at 31 December 2017, consolidated and separate profit and loss accounts, statement 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) 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 misstatements, whether due to fraud or error. The Bank Company 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 reports 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 the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments,

we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control systems. 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 Bangladesh Financial Reporting Standard (BFRS) give a true and fair view of the consolidated financial position of the Group and separate financial position of the Bank as at 31 December 2017, 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).

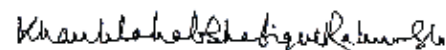
Report on Other Legal and Regulatory Requirements

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

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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:

- Internal audit, internal control and risk management procedure practicable for the respective job of the Group and the Bank as disclosed to the financial statements appeared to be materially adequate;
- 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;
- 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;
- in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- the consolidated balance sheet and consolidated profit and loss account of the group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditure incurred was for the purposes of the Bank's business;
- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulation and accounting standards as well as related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery as per tripartite held on 20.03.2018 and Bangladesh Bank's advice vide letter no. DBI-1/111/2018-1125 dated 28.03.2018;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanation required by us have been received and found satisfactory;
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,460 person hours during our audit; and
- Capital to Risk Weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year.

Dhaka
April 04, 2018



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Standard Bank Limited

Consolidated Balance Sheet

As at 31 December, 2017

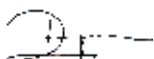
Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
PROPERTY & ASSETS			
CASH	3(a)	9,756,310,974	8,463,586,889
Cash in Hand (including foreign currencies)		1,208,616,155	964,813,799
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		8,547,694,819	7,498,773,090
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4(a)	3,220,235,533	1,232,981,616
In Bangladesh		2,766,411,469	556,528,764
Outside Bangladesh		453,824,064	676,452,852
MONEY AT CALL AND ON SHORT NOTICE	5	450,000,000	190,000,000
INVESTMENTS	6(a)	20,234,194,116	25,532,668,306
Government		16,276,132,131	15,700,064,414
Others		3,958,061,985	9,832,603,892
LOANS AND ADVANCES / INVESTMENTS	7(a)	128,228,164,168	105,039,085,020
Loans, Cash Credits, Over Draft etc./ Investments		124,905,127,508	102,691,889,320
Bills Purchased and Discounted		3,323,036,660	2,347,195,700
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES	8(a)	3,689,716,206	3,515,583,288
OTHER ASSETS	9(a)	10,120,491,387	8,815,302,323
NON-BANKING ASSETS		-	-
TOTAL ASSETS		175,699,112,385	152,789,207,442
LIABILITIES & CAPITAL			
LIABILITIES			
Borrowings from other banks, financial Institutions and agents	10(a)	13,424,534,006	5,283,577,204
DEPOSITS AND OTHER ACCOUNTS	11(a)	134,730,686,300	122,553,831,487
Current / Al-Wadeeah Deposits & Other Deposits		17,714,529,882	14,914,823,601
Bills Payable		2,671,530,602	2,908,731,946
Savings Bank / Mudaraba Savings Deposits		10,350,006,851	8,036,626,269
Short Term Deposits / Mudaraba Short Term Deposits		4,758,715,053	4,621,491,769
Fixed Deposits / Mudaraba Term Deposits		90,433,874,209	83,045,594,746
Deposits Under Schemes / Mudaraba Deposit Schemes		8,802,029,703	9,026,563,156
OTHER LIABILITIES	12(a)	14,133,716,578	12,379,060,237
TOTAL LIABILITIES		162,288,936,884	140,216,468,928
CAPITAL / SHAREHOLDERS' EQUITY			
Paid-up Capital	13	7,918,069,970	7,541,019,020
Statutory Reserve	14(a)	4,595,037,104	4,175,158,942
General Reserve	15	-	-
Revaluation Reserve on Investment	15.1(a)	2,638,743	23,697,443
Surplus in Profit and Loss Account/ Retained earnings	16(a)	894,282,046	832,722,855
TOTAL SHAREHOLDERS' EQUITY		13,410,027,863	12,572,598,260
Minority Interest	16.1(b)	147,639	140,254
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		175,699,112,385	152,789,207,442
Net Asset Value (NAV) per share		16.94	15.88

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES	17(a)		
Acceptances and Endorsements		15,969,566,926	12,428,866,567
Letters of Guarantee		10,173,507,297	7,525,814,039
Irrevocable Letters of Credit		11,388,114,825	10,157,338,856
Bills for Collection		4,388,679,552	3,374,586,929
Other Contingent Liabilities		-	-
TOTAL:		41,919,868,600	33,486,606,391
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		41,919,868,600	33,486,606,391

These financial statements should be read in conjunction with annexed notes




Managing Director



Director

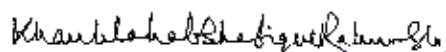


Director



Chairman

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



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Consolidated Profit and Loss Account

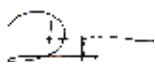
For the year ended 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
Interest Income / Profit on Investment	18.3(a)	10,572,364,601	10,251,877,920
Interest / Profit paid on Deposits & Borrowings etc.	19(a)	7,574,841,936	6,975,885,969
Net Interest / Profit on Investments		2,997,522,665	3,275,991,951
Investment Income	20(a)	2,039,086,429	1,573,697,558
Commission, Exchange Earnings & Brokerage	21(a)	1,146,529,192	914,071,926
Other Operating Income	22(a)	342,368,442	297,162,103
		3,527,984,063	2,784,931,587
TOTAL OPERATING INCOME (A)		6,525,506,728	6,060,923,538
Salary & Allowances	23(a)	1,874,694,309	1,692,640,595
Rent, Taxes, Insurance, Electricity etc.	24(a)	511,753,392	462,437,627
Legal Expenses	25(a)	18,333,070	16,757,272
Postage, Stamp, Telecommunication etc.	26(a)	34,173,309	30,524,877
Stationery, Printing, Advertisement etc.	27(a)	81,622,621	61,904,368
Managing Director's salary & fees	28	10,540,000	7,675,000
Directors' Fee & Other benefits	29(a)	10,273,712	9,142,543
Audit Fees	30(a)	816,500	1,481,283
Charges on loan losses	31(a)	-	-
Depreciation and Repair of Bank's Assets	32(a)	181,802,702	175,288,172
Other Expenses	33(a)	476,542,378	379,458,294
TOTAL OPERATING EXPENSES (B)		3,200,551,992	2,837,310,031
Profit / (Loss) Before Provision (C) = (A - B)		3,324,954,736	3,223,613,507
Provision for Loans/ investments	34(a)		
Specific Provision		869,935,406	701,701,606
General Provision		15,811,224	126,416,778
Provision for Off-Balance Sheet items		84,332,622	42,905,109
Provision for diminution in value of investments		6,240,253	33,974,207
Provision for impairment of client margin loan		66,389,725	94,434,142
Other Provision		-	-
Total Provision (D)		1,042,709,230	999,431,842
Total Profit / (Loss) before Taxes (E)=(C - D)		2,282,245,505	2,224,181,665
Provision for Taxation	35(a)	1,043,795,074	1,135,980,631
Current Tax		1,024,522,268	1,127,484,043
Deferred Tax		19,272,805	8,496,588
Net Profit / (Loss) after Taxation :		1,238,450,432	1,088,201,035
Retained earnings brought forward from previous year	16.1(a)	75,709,776	164,943,714
Net Profit available for distribution		1,314,160,208	1,253,144,749
Appropriations :			
Statutory Reserve	14(a)	419,878,162	421,726,217
Proposed Bonus Shares		-	-
Retained Earnings carried forward		894,282,046	831,418,531
Consolidated Earning per Share (EPS):	36(a)	1.56	1.37
Bank Earning per Share (EPS):		1.42	1.32

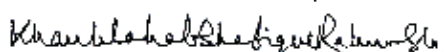
These financial statements should be read in conjunction with annexed notes


Managing Director

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


Director

Director

Chairman

Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Consolidated Cash Flow Statement

For the year ended 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts in Cash		12,051,671,446	11,614,259,777
Interest payments in Cash		(7,318,425,588)	(6,170,656,215)
Dividend receipts		25,307,503	34,177,101
Fee and commission receipts in Cash		728,874,817	569,971,482
Recoveries on loans previously written off		-	-
Cash Payments to employees		(1,885,234,309)	(1,700,315,595)
Cash Payments to suppliers		(81,622,621)	(61,904,368)
Income taxes paid		(998,566,861)	(1,008,047,802)
Receipts from other operating activities	37 (a)	766,853,589	584,925,393
Payments for other operating activities	38 (a)	(1,096,672,434)	(980,432,727)
Cash generated from operating activities before changes in operating assets and liabilities		2,192,185,542	2,881,977,046
Increase / (Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase of trading securities		5,874,541,907	(5,264,975,752)
Loans and advances to other banks		-	-
Loans and advances to customers		(23,189,079,148)	(13,965,942,562)
Other assets	39(a)	(379,931,385)	(448,111,570)
Deposits from other banks		3,550,000,000	1,460,000,000
Deposits from customers		8,370,438,465	13,356,869,746
Other liabilities account of customers		-	-
Trading liabilities		4,140,956,802	2,037,010,143
Other liabilities	40(a)	108,634,554	241,854,634
		(1,524,438,805)	(2,583,295,362)
Net cash flows from operating activities (A)		667,746,736	298,681,684
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-trading securities		-	-
Payments for Purchase of securities		-	-
Purchase of property, plant & equipment		(174,132,918)	(170,703,170)
Sale of property, plant & equipment		2,887,175	7,947,800
Purchase / sale of subsidiary		-	-
Net cash flow from investing activities (B)		(171,245,743)	(162,755,370)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan capital and debt security		4,000,000,000	-
Received for redemption of loan capital and debt security		(400,000,000)	-
Receipts from issue of ordinary shares		-	-
Dividends paid		(377,050,950)	-
Net cash flow from financing activities (C)		3,222,949,050	-
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		3,719,450,044	135,926,314
E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		417,654,375	341,573,724
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		25,562,935,476	25,085,435,438
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (D+E+F)		29,700,039,895	25,562,935,476
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
Cash in hand (including foreign currencies)		1,208,616,155	964,813,799
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		8,547,694,819	7,498,773,090
Balance with other Banks and financial institutions		3,220,235,533	1,232,981,616
Money at Call and Short Notice		450,000,000	190,000,000
Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment)		16,270,031,788	15,672,307,571
Prize Bonds		3,461,600	4,059,400
		29,700,039,895	25,562,935,476
Net Operating Cash Flows (NOCF) per Share		0.84	0.38

These financial statements should be read in conjunction with annexed notes


Managing Director

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


Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Director


Director


Chairman

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Consolidated Statement of Changes in Shareholders' Equity

for the year ended 31 December, 2017

Particulars	Paid up Capital	Statutory Reserve	Minority Interest	Revaluation gain/loss on investments	Profit & Loss surplus A/c	Total
Balance as on 1-1-2017	7,541,019,020	4,175,158,942	140,254	23,697,443	832,722,855	12,572,738,514
Prior years adjustment						
Changes in accounting policy	-	-		-	-	-
Restated Balance	7,541,019,020	4,175,158,942	140,254	23,697,443	832,722,855	12,572,738,514
Surplus/Deficit on revaluation of properties	-	-		-	-	-
Adjustment of last year revaluation gain on investments				(23,697,443)		(23,697,443)
Surplus/Deficit on revaluation of investment	-	-		2,638,743	-	2,638,743
Currency translation difference	-	-		-	(2,903,794)	(2,903,794)
Net gains and losses not recognised in the income statement	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	-
Adjustment of last year	-	-	-	-	-	-
Net profit for the period	-	-		-	1,238,450,432	1,238,450,432
Dividends (Cash /Bonus shares)	377,050,950	-		-	(754,101,900)	(377,050,950)
Minority Interest			7,385		(7,385)	-
Issue of Right Shares	-	-		-	-	-
Appropriation made during the year	-	419,878,162		-	(419,878,162)	-
Balance as on 31.12.2017	7,918,069,970	4,595,037,104	147,639	2,638,743	894,282,046	13,410,175,502
Balance as on 31.12.2016	7,541,019,020	4,045,145,466	137,722	55,615,090	434,007,935	12,075,925,233



Managing Director



Director



Director



Chairman

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



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Balance Sheet

As at 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
PROPERTY & ASSETS			
CASH	3	9,695,656,305	8,431,624,413
Cash in Hand (including foreign currencies)		1,147,961,486	932,851,323
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		8,547,694,819	7,498,773,090
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4	2,825,222,221	999,506,331
In Bangladesh		2,474,338,245	385,359,986
Outside Bangladesh		350,883,976	614,146,345
MONEY AT CALL AND ON SHORT NOTICE	5	450,000,000	190,000,000
INVESTMENTS	6	22,002,155,290	27,696,913,705
Government		16,276,132,131	15,700,064,414
Others		5,726,023,159	11,996,849,291
LOANS AND ADVANCES / INVESTMENTS	7	126,138,034,537	102,656,459,873
Loans, Cash Credits, Over Draft etc./ Investments		122,814,997,877	100,309,264,173
Bills Purchased and Discounted		3,323,036,660	2,347,195,700
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES	8	3,663,777,359	3,491,354,112
OTHER ASSETS	9	9,360,256,438	8,188,033,275
NON-BANKING ASSETS		-	-
TOTAL ASSETS		174,135,102,151	151,653,891,709
LIABILITIES & CAPITAL			
LIABILITIES			
Borrowings from other banks, financial Institutions and agents	10	13,424,534,006	5,266,979,944
DEPOSITS AND OTHER ACCOUNTS	11	134,708,610,919	122,524,939,102
Current / Al-Wadeeah Deposits & Other Deposits		17,692,454,501	14,885,931,216
Bills Payable		2,671,530,602	2,908,731,946
Savings Bank / Mudaraba Savings Deposits		10,350,006,851	8,036,626,269
Short Term Deposits / Mudaraba Short Term Deposits		4,758,715,053	4,621,491,769
Fixed Deposits / Mudaraba Term Deposits		90,433,874,209	83,045,594,746
Deposits Under Schemes / Mudaraba Deposit Schemes		8,802,029,703	9,026,563,156
OTHER LIABILITIES	12	12,687,326,897	11,336,265,000
TOTAL LIABILITIES		160,820,471,822	139,128,184,046
CAPITAL / SHAREHOLDERS' EQUITY			
Paid-up Capital	13	7,918,069,970	7,541,019,020
Statutory Reserve	14	4,595,037,104	4,175,158,942
General Reserve	15	-	-
Revaluation Reserve on Investment	15.1	2,638,743	23,697,443
Surplus in Profit and Loss Account/ Retained earnings	16	798,884,512	785,832,258
TOTAL SHAREHOLDERS' EQUITY		13,314,630,329	12,525,707,663
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		174,135,102,151	151,653,891,709
Net Asset Value (NAV) per share		16.82	15.82

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances and Endorsements	17.1	15,969,566,926	12,428,866,567
Letters of Guarantee	17.2	10,173,507,297	7,252,814,039
Irrevocable Letters of Credit	17.3	11,388,114,825	10,157,338,856
Bills for Collection	17.4	4,388,679,552	3,374,586,929
Other Contingent Liabilities	17.5	-	-
TOTAL:		41,919,868,600	33,486,606,391
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		41,919,868,600	33,486,606,391

These financial statements should be read in conjunction with annexed notes




Managing Director



Director

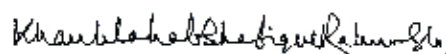


Director



Chairman

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



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Profit and Loss Account

For the year ended 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
Interest Income / Profit on Investment	18	10,557,249,848	10,150,193,175
Interest / Profit paid on Deposits & Borrowings etc.	19	7,574,695,794	6,972,385,990
Net Interest / Profit on Investments		2,982,554,054	3,177,807,185
Investment Income	20	1,843,908,600	1,439,597,534
Commission, Exchange Earnings & Brokerage	21	950,140,808	767,808,108
Other Operating Income	22	338,332,707	294,526,106
		3,132,382,115	2,501,931,748
TOTAL OPERATING INCOME (A)		6,114,936,169	5,679,738,933
Salary & Allowances	23	1,812,074,323	1,634,484,537
Rent, Taxes, Insurance, Electricity etc.	24	470,481,785	429,747,049
Legal Expenses	25	14,102,129	10,803,149
Postage, Stamp, Telecommunication etc.	26	31,778,971	28,696,783
Stationery, Printing, Advertisement etc.	27	76,333,597	58,154,377
Managing Director's salary & fees	28	10,540,000	7,675,000
Directors' Fee & Other benefits	29	8,375,718	7,176,344
Audit Fees	30	759,000	1,138,500
Charges on loan losses	31	-	-
Depreciation and Repair of Bank's Assets	32	174,496,689	168,342,637
Other Expenses	33	446,523,896	353,865,977
TOTAL OPERATING EXPENSES (B)		3,045,466,108	2,700,084,353
Profit / (Loss) Before Provision (C) = (A - B)		3,069,470,061	2,979,654,580
Provision for Loans/ investments	34		
Specific Provision		869,935,406	701,701,606
General Provision		15,811,224	126,416,778
Provision for Off-Balance Sheet items		84,332,622	42,905,109
Provision for diminution in value of investments		-	-
Other Provision		-	-
Total Provision (D)		970,079,252	871,023,493
Total Profit / (Loss) before Taxes (E)=(C - D)		2,099,390,808	2,108,631,087
Provision for Taxation	35	974,354,893	1,065,073,936
Current Tax		955,082,087	1,056,577,348
Deferred Tax		19,272,805	8,496,588
Net Profit / (Loss) after Taxation :		1,125,035,916	1,043,557,151
Retained earnings brought forward	16.1	93,726,758	164,001,324
Net Profit available for distribution		1,218,762,674	1,207,558,475
Appropriations :			
Statutory Reserve		419,878,162	421,726,217
Proposed Bonus Shares		-	-
Retained Earnings carried forward		798,884,512	785,832,258
Earning Per Share (EPS):	36	1.42	1.32

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


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Cash Flow Statement

For the year ended 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
A) CASH FLOW FROM OPERATING ACTIVITIES			
Interest receipts in Cash		11,841,378,864	11,377,403,266
Interest payments in Cash		(7,318,279,446)	(6,167,156,236)
Dividend receipts		25,307,503	34,177,101
Fee and commission receipts in Cash		532,486,433	423,707,664
Recoveries on loans previously written off		-	-
Cash Payments to employees		(1,822,614,323)	(1,642,159,537)
Cash Payments to suppliers		(76,333,597)	(58,154,377)
Income taxes paid		(930,880,081)	(934,265,572)
Receipts from other operating activities	37	762,817,854	582,289,396
Payments for other operating activities	38	(1,016,857,189)	(916,397,809)
Cash generated from operating activities before changes in operating assets and liabilities		1,997,026,018	2,699,443,895
Increase / (Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase of trading securities		6,270,826,132	(5,151,865,629)
Loans and advances to other banks		-	-
Loans and advances to customers		(23,481,574,664)	(13,611,892,581)
Other assets	39	(246,965,484)	(400,813,562)
Deposits from other banks		3,550,000,000	1,460,000,000
Deposits from customers		8,377,255,469	13,355,125,002
Other liabilities account of customers		-	-
Trading liabilities		4,157,554,062	2,151,142,911
Other liabilities	40	(18,653,685)	(74,303,220)
		(1,391,558,171)	(2,272,607,079)
Net cash flows from operating activities (A)		605,467,847	426,836,816
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-trading securities		-	-
Payments for Purchase of securities		-	-
Purchase of property, plant & equipment		(302,084,248)	(170,703,172)
Sale of property, plant & equipment		2,887,175	7,947,800
Purchase / sale of subsidiary		-	-
Net cash flow from investing activities (B)		(299,197,073)	(162,755,372)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan capital and debt security		4,000,000,000	-
Received for redemption of loan capital and debt security		(400,000,000)	-
Receipts from issue of ordinary shares		-	-
Dividends paid		(377,050,950)	-
Net cash flow from financing activities (C)		3,222,949,050	-
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		3,529,219,824	264,081,444
E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		417,654,375	341,573,724
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		25,297,497,715	24,691,842,547
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (D+E+F)		29,244,371,914	25,297,497,715
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
Cash in hand (including foreign currencies)		1,147,961,486	932,851,323
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		8,547,694,819	7,498,773,090
Balance with other Banks and financial institutions		2,825,222,221	999,506,331
Money at Call and Short Notice		450,000,000	190,000,000
Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment)		16,270,031,788	15,672,307,571
Prize Bonds		3,461,600	4,059,400
		29,244,371,914	25,297,497,715
Net Operating Cash Flows (NOCF) per Share		0.76	0.54

These financial statements should be read in conjunction with annexed notes


Managing Director


Director


Director


Chairman


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

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

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Statement of Changes in Shareholders' Equity

For the year ended 31 December, 2017

Particulars	Paid up Capital	Statutory Reserve	General Reserve	Revaluation gain/loss on investments	Profit & Loss surplus A/c	Total
Balance as on 1-1-2017	7,541,019,020	4,175,158,942	-	23,697,443	785,832,258	12,525,707,663
Changes in accounting policy	-	-	-	-	-	-
Restated Balance	7,541,019,020	4,175,158,942	-	23,697,443	785,832,258	12,525,707,663
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-
Adjustment of last year revaluation gain on investments	-	-	-	(23,697,443)	-	(23,697,443)
Surplus/Deficit on revaluation of investment	-	-	-	2,638,743	-	2,638,743
Currency translation difference	-	-	-	-	-	-
Net gains and losses not recongnised in the income statement	-	-	-	-	-	-
Adjustment of last year	-	-	-	-	-	-
Net profit for the period	-	-	-	-	1,125,035,916	1,125,035,916
Dividends from SBL Capital Management Ltd	-	-	-	-	29,998,800	29,998,800
Dividends from SBL Securities Ltd	-	-	-	-	31,997,600	31,997,600
Dividends (Cash /Bonus shares)	377,050,950	-	-	-	(754,101,900)	(377,050,950)
Issue of Right Shares	-	-	-	-	-	-
Appropriation made during the year	-	419,878,162	-	-	(419,878,162)	-
Balance as on 31.12.2017	7,918,069,970	4,595,037,104	-	2,638,743	798,884,512	13,314,630,329
Balance as on 31.12.2016	7,541,019,020	4,175,158,942	-	23,697,443	785,832,258	12,525,707,663




Managing Director



Director



Director



Chairman

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



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka
April 04, 2018

Standard Bank Limited

Liquidity Statement

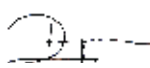
(Asset and Liability Maturity Analysis)

For the year ended 31 December, 2017

Particulars	Upto 01 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 Years	Total
Assets:						
Cash in hand	1,147,961,486	-	-	-	-	1,147,961,486
Balance with Bangladesh Bank	108,453,000	-	-	-	8,439,241,819	8,547,694,819
Balance with other banks and financial institutions	2,610,792,096	-	214,430,125	-	-	2,825,222,221
Money at call & on short notice	450,000,000	-	-	-	-	450,000,000
Investment	3,461,600	-	-	703,698,494	21,294,995,196	22,002,155,290
Loans and Advances	21,536,853,782	22,702,797,088	40,842,266,592	30,671,035,610	10,385,081,465	126,138,034,537
Fixed assets including premises, furniture and fixtures	-	-	-	-	3,663,777,359	3,663,777,359
Other assets	78,057,226	1,978,251,958	2,059,668,038	5,244,279,217	-	9,360,256,438
Non-banking assets	-	-	-	-	-	-
Total Assets	25,935,579,190	24,681,049,045	43,116,364,755	36,619,013,322	43,783,095,840	174,135,102,151
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	13,313,917,835	-	-	110,616,171	-	13,424,534,006
Deposits	10,652,178,004	19,308,810,490	37,898,205,171	30,917,225,289	35,932,191,966	134,708,610,919
Other Accounts	-	-	-	-	-	-
Provision and other liabilities	1,039,869,609	39,021,280	310,427,630	4,201,192,294	7,096,816,083	12,687,326,896
Total Liabilities	25,005,965,448	19,347,831,770	38,208,632,801	35,229,033,754	43,029,008,049	160,820,471,821
Net Liquidity Gap	929,613,742	5,333,217,276	4,907,731,954	1,389,979,567	754,087,791	13,314,630,330



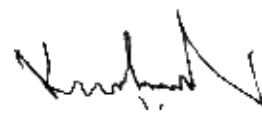
Managing Director



Director



Director



Chairman

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


Khan Wahab Shafique Rahman & Co.
 Chartered Accountants

Dated, Dhaka
 April 04, 2018

Standard Bank Limited

Notes to the Financial Statements

For the year ended 31 December, 2017

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 122 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 became 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 2017 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 2017.

xvii) **Disclosure of appropriation of profit**

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

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

2.2**Basis of Consolidation :**

The consolidated financial statements include the financial statements of Standard Bank Limited, Islamic Banking Window, and its subsidiaries SBL Capital Management Ltd, Standard Bank Securities Ltd, Standard Exchange Company (UK) Ltd and Standard Co (USA) Inc. DBA : Standard Express made up to the end of the financial year. A Banking software system "iStelar" 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, 2017.

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, 2017.

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 2017 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	1%	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) Property, plant and equipment and their depreciation:

Recognition and measurement

Items of fixed assets excluding land are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost/revaluation. When parts of an item of fixed asset have different useful lives, they are accounted for as separate items

(major components) of fixed assets. The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from

disposal with the carrying amount of the item of fixed asset, and is recognized in other income/other expenses in profit or loss. Property, Plant and Equipment are recognized as assets in accordance with Bangladesh Accounting Standards (BAS) 16 "Property Plant and Equipment".

Subsequent costs

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

Depreciation

Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Name of the Assets	Rate of Depreciation	Method of charging depreciation/ amortization
Land	Nil	Not applicable
Building	3%	Straight Line Method
Furniture & Fixtures	10%	Straight Line Method
Office Appliances	20%	Straight Line Method
Computer	20%	Straight Line Method
Software	20%	Straight Line Method
Vehicles	20%	Straight Line Method

v) Intangible Assets

a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will follow to the entity and the cost of the assets can be measured reliably.

b) Software represent the value of computer application software licensed for use of the bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses.

c) Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are in customizing the software for its intended use.

d) Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.

e) Software is amortized using the straight line method over the estimated useful life of 5(five) years commencing from the date of the application. Software is available for use over the best estimate of its useful economic life.

vi) Impairment of Assets

The carrying amounts of banks assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount [BAS 36 Impairment of Assets]. No such impairment loss has been arisen and recognized during the year ended 31 December 2017.

vii) Other assets

Other assets include investment in subsidiaries, Membership of DSE & CSE, advance for operating and capital expenditure, stocks of stationery and stamps, security deposits to government agencies etc. As per BRPD Circular No. 14 dated 25 June 2003, Income & Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements.

viii) Contingent asset

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. Contingent asset is not recognized rather disclosed in the financial statements.

B**Liabilities & Provision****i) Borrowings from other banks, financial institutions and agents**

Borrowings from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

ii) Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing 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 2017, 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 2017 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's 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 36 to the financial statements.

Basic Earnings per Share:

Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Diluted Earnings per Share:

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. However, diluted earnings per share are not required to calculate as there are no dilution possibilities during the financial year 2017.

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.

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 10% stock dividend for the year 2017 in its meeting no. 291st held on 04 April, 2018.

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 vide BRPD circular no.17 dated October 7, 2003 and BRPD circular no.4 dated March 5, 2007 issued guidelines on managing Core Risk in Banks to ensure sustainable performance in the Banking sector. Recently Bangladesh Bank revised its core risk management guidelines on March-2016. There are six core risks which require banks to put in place an effective risk management system. Bangladesh Bank monitors the progress of implementation of these guidelines through its on-site inspection teams through routine inspection. The risk management systems in place at the Bank are discussed below.

2.15.1 Internal Control & Compliance Risk

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

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

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

- 1) To establish an effective and efficient system to identify and detect errors, omission, fraud and forgeries and to take/suggest effective measures to protect repetition thereof.

2) To help to establish reliable, complete adequate and timeliness of financial and management information.

3) To ensure compliance with applicable laws and regulations.

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

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

Internal Control & Compliance (ICC) Division sets out a Risk Based Internal Audit Program each year. The Risk Based Internal Audit Program for the year 2017 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 114 (One hundred fourteen) branches & 12 (twelve) Divisions of Head Office, Surprise Inspection has been conducted on 16 (sixteen) branches and 12 (twelve) Special Investigation has been conducted during the year 2017. Moreover, in 2017 we have examined Cash Incentive Payments made by the 11 (eleven) no of AD Branches. ICT Audit has been conducted on 77 (seventy seven) branches & 03 (three) Divisions/Departments of Head Office. Major irregularities or lapses of the reports were presented to the Management and the Audit Committee of the Board of Directors. As per directions/suggestions of the Board Audit Committee as well as the higher Management, corrective measures have been taken so as to stop recurrence of such lapses or irregularities in future.

Besides above, Bangladesh Bank Inspection team also conducted 49 (forty nine) different inspections in the year 2017 on various branches and Departments of Head Office. Details are as under:

Nature of Inspection	Head Office/Division	Branches
Special Inspection on Core Risk	6	2
Comprehensive	1	30
Foreign Exchange Transaction	0	8
Special Inspection	0	1
Surprise Inspection	0	1

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

Over the last few decades, the Foreign Exchange terminology & market has emerged as the largest market in the world. The behavior and risk pattern also has come forward tremendously due to its multilateral usance within cross border around the globe. Foreign Exchange risk may be defined as an event of potential financial, physical or reputational loss that can commit the business or environment even uncertain and volatile. Standard Bank Limited has a set of “Foreign Exchange Risk Management Guidelines” in compliance with the Local Regulatory Authorities and Internationally complied authorities which in every aspect mitigate the FX transaction risks covering our Export, Import and Remittance. Our motto is to achieve organizational goal within the harmonized Foreign Exchange risk management frame that comprises the revaluations, reconciliations and other everyday events, activities. Well-built monitoring and recurring follow-up by our management diminishes the risk factors in many cases. Also we have a strong preset ‘Contingency Plan’ to overcome any undue risk situation.

2.15.3 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 2017 were as follows:

Mr. Md. Mamun-Ur-Rashid	Managing Director & CEO		Chairman
Mr. Md. Tariqul Azam	AMD & Chief Risk Officer (CRO)		Member
Mr. Md. Motaleb Hossain	DMD		Member
Mr. Haradhan Chandra Das	EVP	Head of Credit-2	Member
Mr. Syed Anisur Rahman	EVP	Head of ID	Member
Mr. Md. Zahangir Alam	VP	Head of FAD	Member
Mr. Md. Ali Reza	VP	CFO & Head of RMD	Member
Mrs. Rubina Khan	VP	Head of Credit-1	Member
Mr. Md. Farhad Hussain	VP	Head of IBW	Member
Mr. Md. Abdul Mannan	VP	Head of SME	Member
Mr. Shah Rahat Uddin Ahmed	SAVP	Head of Treasury	Member
Mr. Mirza Muhammad Masud Rana	AVP	Head of BMOD	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:

Bank's Anti Money Laundering Division has been functioning to ensure proper compliance of overall Anti Money Laundering activities under the guidance of Bangladesh Financial Intelligence Unit (BFIU). The AML Division is to strongly implement Bank's AML/CFT Policy to cover all latest AML issues for combating money laundering and terrorist financing maintaining international standard.

Bank has adopted Money Laundering Prevention Act-2012 (Amendment-2015), Anti Terrorism Act-2009 ((Amendment-2012 & 2013), BFIU Circular No.19 dated 17/09/2017 and circulated it to all of its branches to cope with latest AML strategies of national and global arena. Bank has its own standard Customer Acceptance Policy, Money Laundering & Terrorist Financing Risk Management Guidelines to provide a framework to the branches to combat money laundering & terrorist financing risk.

Bank has appointed Chief Anti Money Laundering Compliance officer (CAMLCO) & Deputy CAMLCO to supervise overall anti money laundering activities of the bank. Branch Anti Money Laundering Compliance officer (BAMLCO) to comply with Anti Money Laundering issues at branch level.

In order to maintain national and international standard of AML/CFT functions Bank has policies to comply with all recommendations, accord and sanctions of United Nations (UN), Financial Action Task Force (FATF) and Asia Pacific group (APG). Apart from this, Bank is not to establish any relationship with entity listed by United Nation Security Council (UNSC) resolutions and do not maintain relationship with shell banks.

2.15.7 Environment Risk Management (ERM)

Bangladesh Bank issued Guidelines on Environment Risk Management (ERM) to streamline solutions for managing the environmental risks in the financial sector Ref:BRPD CircularNo.01/2011dated 30.01.2011 and BRPD Circular no.02dated 27 February,2011 respectively . Bank accordingly introduced the Guideline on Environment Risk Management which is approved by the Board of Directors in its 198th Board meeting vide memo no.-9955 held on 16.09.2012 and advised the Management to implement the same in our Bank.

As Environmental Risk is related to credit risk hence it has been decided to integrate the same with Credit Risk Management (CRM). As such the concerned Branches are directed to evaluate & assess environmental risks whenever a potential borrower approaches for financing. It is required to calculate the Environmental Risk Rating (EnvRR) correctly while financing to the following sectors:

1) Agri-business (Poultry & Dairy), 2) Cement, 3) Chemicals, 4) Engineering & Basic Metal, 5) Housing, 6) Pulp & Paper, 7) Sugar & Distilleries, 8) Tannery, 9) Textile & Apparels, and 10) Ship Breaking.

Environmental Risk Rating (EnvRR) 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 EnvRR 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 & 40 branches during the year 2017 & special inspection on six core risk based on 30-06-2017 by DBI & two core risk (AML & Foreign Exchange Risk) by BFIU & Foreign Exchange Inspection department during 2017 for assessing the implementation of the guidelines on core risk as well as to evaluate the effectiveness of risk management practices by the Bank. Major findings of the inspection were discussed in a meeting participated by the Board, Bangladesh Bank representatives and related management personnel of the Bank. The Board took the observations with utmost importance and instructed management to comply with BB suggestions for improvement. BB also conducted several other audits on different units/departments of the bank all over the year which include Treasury Division, Credit Division, Credit Administration Division, ICCD and Foreign Exchange etc. Bank already comply all the findings & observations of core risk as per stipulated time set by Bangladesh Bank. The overall core risk implementation status of the Bank is satisfactory.

2.16 Regulatory and legal compliance

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 Ordinance, 1984 & rules
- d) The Value Added Tax (VAT) Act 1991 & rules
- 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 2017.

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

Name of BASs /BFRSs	BASs/BFRSs	No.	Status
Earning per share	BAS	33	Applied
Interim Financial Reporting	BAS	34	Applied
Impairment of Assets	BAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS	37	Applied
Intangible Assets	BAS	38	Applied
Financial Instruments: Recognition and Measurement	BAS	39	Applied
Investment Property	BAS	40	N/A
Agriculture	BAS	41	N/A
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS	1	N/A
Share-based Payment	BFRS	2	N/A
Business Combinations	BFRS	3	Applied
Insurance Contracts	BFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	BFRS	5	Applied
Exploration for and Evaluation of Mineral Resources	BFRS	6	N/A
Financial Instruments: Disclosures	BFRS	7	Applied
Operating Segments	BFRS	8	Applied
Consolidated Financial Statements	BFRS	10	Applied
Joint Arrangements	BFRS	11	N/A
Disclosure of Interests in Other Entities	BFRS	12	Applied
Fair Value Measurement	BFRS	13	Applied

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.

SBL Capital Management Limited	The principal activity of the Co. is to act as a TREC Holder of DSE & CSE to carry on the business of stock brokers in relation to shares and securities dealings and other services.
Standard Bank 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 2017. 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 291st meeting held on 4th April 2018.

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, 2017

		Amount in Taka	
		31.12.2017	31.12.2016
3. CASH			
3.1 Cash in hand			
In local Currency		1,103,133,069	917,444,433
In Foreign Currency		44,828,417	15,406,890
Total		1,147,961,486	932,851,323
3.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)			
In local Currency		8,382,426,575	7,075,744,579
In Foreign Currency		52,165,868	274,206,615
		8,434,592,443	7,349,951,194
Sonali Bank as agent of Bangladesh Bank Local currency		113,102,376	148,821,896
		8,547,694,819	7,498,773,090
Total		9,695,656,305	8,431,624,413
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		8,285,957,000	6,845,506,000
Actual Reserve maintained (as per Bangladesh Bank Statement)		8,394,410,000	7,079,104,000
Surplus/(Deficit)		108,453,000	233,598,000
ii) Cash Reserve Ratio (CRR) for Islamic Banking			
(6.5% of Average Demand and Time Liabilities)			
Required Reserve		22,062,040	19,866,700
Actual Reserve maintained (as per Bangladesh Bank Statement)		42,423,000	20,479,938
Surplus/(Deficit)		20,360,960	613,238
iii) Statutory Liquidity Ratio (SLR) for Conventional Banking			
(13% of Average Demand and Time Liabilities)			
Required Reserve		16,571,914,000	13,691,011,000
Actual Reserve maintained		17,528,256,000	23,704,412,183
Surplus/(Deficit)		956,342,000	10,012,723,980
iv) Statutory Liquidity Ratio (SLR) for Islamic Banking			
(5.5% of Average Demand and Time Liabilities)			
Required Reserve		18,668,000	16,810,280
Actual Reserve maintained		25,827,000	18,290,441
Surplus/(Deficit)		7,159,000	1,480,161
3.4 Held for Statutory Liquidity Ratio			
Cash in hand		1,147,495,000	932,851,323
Balance with Sonali Bank		113,089,000	148,821,896
Bangladesh Bank Bills		-	6,943,733,950
Government Treasury Bills		145,788,000	1,089,656,774
Government Treasury Bonds		16,121,884,000	14,589,348,240
		17,528,256,000	23,704,412,183

		Amount in Taka	
		31.12.2017	31.12.2016
3(a) Consolidated cash			
i. Cash in hand			
Standard Bank Limited (note-3.1)	1,147,961,486	932,851,323	
Standard Exchange Co.(UK) Ltd.	2,148,116	4,684,453	
Standard Express(USA) Ltd.	58,506,553	27,278,023	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	1,208,616,155	964,813,799	
ii. Balance with Bangladesh Bank and its agent bank(s)			
Standard Bank Limited (note-3.2)	8,547,694,819	7,498,773,090	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	8,547,694,819	7,498,773,090	
	9,756,310,974	8,463,586,889	
4. Balance with other Banks and financial institutions			
In Bangladesh (note 4.1)	2,474,338,245	385,359,986	
Outside Bangladesh (note 4.2)	350,883,976	614,146,345	
	2,825,222,221	999,506,331	
4.1 In Bangladesh			
Current Deposits	-	-	
Short Term Deposit (STD)			
Agrani Bank Limited	18,080,540	119,048	
Basic Bank Limited	6,683	125,918	
BRAC Bank Ltd.	483,184	21,576,184	
Dutch Bangla Bank	11,000	9,471,991	
Eastern Bank Limited	2,883	3,412	
Islami Bank bd Limited	29,797	1,016,480	
Janata Bank Limited	3,671,865	9,073,552	
Sonali Bank Limited	15,812,331	12,249,996	
Standard Chartered Bank	6,649,795	5,491,036	
The City Bank Limited	80,778	78,387	
Trust Bank Ltd.	79,264	2,243,107	
	44,908,120	61,449,111	
Savings Deposit	-	-	
Fixed Deposits			
Hajj Finance Company Ltd.	214,430,125	258,910,875	
IIDFC (FDR)	150,000,000	50,000,000	
Islamic Finance & Investment Ltd.	15,000,000	15,000,000	
GSP Finance	100,000,000		
IPDC Finance Ltd.	300,000,000	-	
Phoenix Finance Ltd.	200,000,000	-	
United Finance Ltd.	200,000,000		
Delta Brac Housing Fin. Corp. Ltd	500,000,000		
Idlc Finance Ltd	550,000,000		
Lanka Bangla Finance	200,000,000		
	2,429,430,125	323,910,875	
	2,474,338,245	385,359,986	

4.2 Outside Bangladesh**In Current account****Interest Bearing**

Standard Chartered Bank, New York

Mashreq Bank Psc, New York

HSBC Bank, New York

UTI Kolkata, ACU

ICICI Bank Ltd., Mumbai, India

A.B. Bank LTD. MUMBAI

Non Interest Bearing

HSBC, Mumbai, India

AXIS Bank Limited, Mumbai, India

Standard Chartered Bank Ltd., Mumbai, India

Standard Chartered Bank Ltd., Frankfurt

Standard Chartered Bank Ltd., Tokyo

ICICI Bank Ltd., Hongkong

Nepal Bangladesh Bank Ltd, Kathmundu

HSBC Bank, Karachi, Pakistan

Bhutan National Bank, Bhutan

Commerz Bank, Frankfurt

Habib American Bank Ltd. New York

Habib Metropolitan Bank Ltd. Karachi, Pakistan

Mashreq Bank, London

Bank Aljaria Ksa

Bank Aljaria USD

HSBC Bank Australia Ltd, Sydney, Australia

Westpac Banking Corporation Sydney, AU

Saudi Hollandi Bank KSA

Sonali Bank (UK) Ltd

Total Nostro Accounts

FDR

Standard Chartered Bank Ltd., Mumbai, India

Total Outside Bangladesh**Total****(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

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

4.4 Net Balance with other banks and financial institutions

Balance with other banks and financial institutions(note-4)

Add: Lending to other banks and financial institutions(note-05)

Less: Borrowing from other banks and financial institutions(note-10)

Amount in Taka	
31.12.2017	31.12.2016
20,211,026	58,278,677
75,225,490	102,669,775
-	-
3,857,552	3,940,843
16,532,773	30,394,761
12,067,415	3,497,934
-	-
-	-
21,067,099	57,227,026
1,321,129	439,969
2,384,538	3,576,219
7,204,258	58,836,169
6,285,552	2,654,488
-	-
6,260	75,703
8,015,552	6,182,428
86,150,204	201,713,103
1,966,451	11,148,006
58,393,304	24,415,754
10,180,618	3,161,430
8,917,541	-
-	-
457,174	1,809,620
3,287,940	3,161,156
-	33,611,184
343,531,876	606,794,245
7,352,100	7,352,100
350,883,976	614,146,345
2,825,222,221	999,506,331
(Annexure-A may kindly be seen for details)	
4.3 Maturity grouping of balance with other banks and financial institutions	
-	-
2,610,792,096	740,595,456
-	-
214,430,125	258,910,875
-	-
-	-
2,825,222,221	999,506,331
4.4 Net Balance with other banks and financial institutions	
2,825,222,221	999,506,331
450,000,000	190,000,000
13,424,534,006	5,266,979,944
(10,149,311,785)	(4,077,473,613)

		Amount in Taka	
		31.12.2017	31.12.2016
4.5 Consolidated Net Balance with other banks and financial institutions			
Balance with other banks and financial institutions(note-4b)	(10,149,311,785)	(4,077,473,613)	
Less: Borrowing from other banks and financial institutions	-	-	
	(10,149,311,785)	(4,077,473,613)	
4(a) Consolidated Balance with other banks and financial institutions In Bangladesh			
Standard Bank Limited (note-4.1)	2,474,338,245	385,359,986	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.			
SBL Capital Mgt. Ltd.	36,632,589	20,543,610	
SBL Securities Ltd.	255,440,635	150,625,168	
	2,766,411,469	556,528,764	
Outside Bangladesh			
Standard Bank Limited (note-4.2)	350,883,976	614,146,345	
Standard Exchange Co.(UK) Ltd.	-	2,003,257	
Standard Express(USA) Ltd.	102,940,088	60,303,250	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	453,824,064	676,452,852	
	3,220,235,533	1,232,981,616	
5. Money at Call and Short Notice Banking Company			
BASIC Bank Ltd	200,000,000	-	
Habib Bank Ltd	50,000,000	-	
	250,000,000	-	
Non-Banking Financial Institutions			
Phoenix Finance	-	40,000,000	
MIDAS	50,000,000	40,000,000	
Prime Finance	-	30,000,000	
Premier Leasing		80,000,000	
Short Notice Money		-	
IIDFC	50,000,000		
IPDC Finance	100,000,000		
	200,000,000	190,000,000	
Total	450,000,000	190,000,000	
5.1 Maturity grouping of Money at Call and Placements:			
Payable on demand	450,000,000	190,000,000	
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	-	-	
	450,000,000	190,000,000	
6. Investments			
Government securities (note -6.a)	16,276,132,131	15,700,064,414	
Others Investment (note -6.b)	5,726,023,159	11,996,849,291	
	22,002,155,290	27,696,913,705	

		Amount in Taka	
		31.12.2017	31.12.2016
a) Government securities			
Treasury Bill			
91 days Treasury Bills	-	-	
182 days Treasury Bills	-	299,757,574	
364 days Treasury Bills	145,788,000	789,899,200	
Total Treasury Bill	145,788,000	1,089,656,774	
Government Bond			
2 years Government bonds	552,910,494	2,064,619,482	
5 years Government bonds	4,078,916,833.00	3,795,259,561	
10 years Government bonds	5,960,465,852.00	3,681,600,638	
15 years Government bonds	1,857,552,767.00	1,867,158,953	
20 years Government bonds	3,672,036,585.00	3,180,709,606	
Total Government Bond	16,121,882,531	14,589,348,240	
Prize bonds	3,461,600	4,059,400	
Total Prize bonds	3,461,600	4,059,400	
Government Islamic Bond			
1 years bonds	5,000,000	17,000,000	
2 years bonds	-	-	
Total Government Islamic Bond	5,000,000	17,000,000	
Total Government Securities	16,276,132,131	15,700,064,414	
b) Other Investments (note -6.3)			
Quoted Shares	168,231,086	168,109,226	
Unquoted Shares	4,531,792,661	4,402,193,369	
Preference share	70,000,000	203,333,334	
Subordinated Bonds	955,999,412	279,479,412	
Bangladesh Bank Bill	-	6,943,733,950	
Total Others Investment	5,726,023,159	11,996,849,291	
6.1 Government Securities classified as per Bangladesh Bank Circular:			
Held for trading (HFT)	3,325,179,071	2,820,671,608	
Held to maturity (HTM)	12,947,491,460	12,875,333,406	
Other Securities(Prize Bond)	3,461,600	4,059,400	
	16,276,132,131	15,700,064,414	
6.2 Maturity grouping of Investments :			
On demand	3,461,600	8,747,447,490	
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	
Over 1 year but not more than 5 years	703,698,494	2,871,518,682	
Over 5 years	21,294,995,196	15,778,189,959	
	22,002,155,290	27,696,913,705	
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	18,000,000	
OIMEX Electrode Limited	64,800	-	
NAHEE Aluminum Composite Panel Limited	57,060	-	
The ACME Laboratories Ltd.	109,226	109,226	
Total Quoted Shares	168,231,086	168,109,226	

Amount in Taka	
31.12.2017	31.12.2016
b) Unquoted Shares	
Central Depository Bangladesh Limited (CDBL)	156,548,164
Market Stabilization Fund	5,000,000
SWIFT	3,003,185
Standard Exchange Co.(UK) Ltd.	32,799,000
Standard Express(USA) Ltd.	115,080,000
SBL Capital Mgt. Ltd.	1,499,940,000
SBL Securities Ltd.	799,940,000
SBL Capital Mgt. Ltd.(Investment)	1,919,482,312
Total Unquoted Shares	4,531,792,661
c) Preference share	
Preference Share Of Star Ceramics Ltd.	70,000,000
Raj Lanka Power Company Ltd	-
Total Preference share	70,000,000
d) Subordinated Bond	
Dhaka Bank Ltd	20,000,000
Trust Bank Ltd.	40,000,000
National Bank Ltd .	20,480,000
Zero Coupon Bond	99,999,412
BSRM Ltd.	99,000,000
Jamuna Bank Ltd 2nd Subordinate Bond	-
MTBL 3rd Subordinated Bond	-
The City Bank 2nd Subordinated Bond	-
Golden Harvest Agro Industries Ltd.	-
Total Subordinated Bond	279,479,412
e) Bangladesh Bank Bill	
7 days Treasury Bills	1,199,767,500
14 days Treasury Bills	1,399,437,400
30 days Treasury Bills	4,344,529,050
Total Bangladesh Bank Bill	6,943,733,950
Total Other Investments	5,726,023,159
(Annexure-E may kindly be seen for details)	
6(a) Consolidated Investments	
Government	
Standard Bank Limited (note-6)	15,700,064,414
Standard Exchange Co.(UK) Ltd.	-
Standard Express(USA) Ltd.	-
SBL Capital Mgt. Ltd.	-
SBL Securities Ltd.	-
Others	15,700,064,414
Standard Bank Limited (note-6)	11,996,849,291
Standard Bank Limited (Share Capital to SCML)	(3,299,604,140)
Standard Exchange Co.(UK) Ltd.	(28,472,880)
Standard Express(USA) Ltd.	(109,620,000)
SBL Capital Mgt. Ltd.	1,803,227,622
SBL Securities Ltd.	270,168,999
SBL Securities Ltd. (Share Capital to SSL)	(799,945,000)
3,958,061,985	9,832,603,892
20,234,194,116	25,532,668,306

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

Term Loan

Export Development Fund (EDF)

Agriculture Loan

Cash credit/ Murabaha

House Building loans

Transport Loans

Loans against trust receipt

Payment against document

Packing credit

Demand Loan

Lease Finance / Izara

Syndicate/Club Finance

VISA Credit Card

SME/SE

Green Finance

Consumer Credit Scheme/Hire purchase

Outside Bangladesh**ii) Bills purchased and discounted****Payable inside Bangladesh**

Inland bills purchased

Payable outside Bangladesh

Foreign bills purchased and discounted

Total**7.1 Net loans and advances/Investments**

Loans and advances/Investments(note-7)

Less:

Non-performing loans and advances/Investments(note-7.9)

Interest suspense (note-12.4)

Provision for loans and advances/Investments(note-12.2)

7.2 Residual maturity grouping of loans and advances/Investments including bills purchased and discounted

Repayable on demand

Up to 1 month

Over 1 month but not more than 3 months

Over 3 months but not more than 1 year

Over 1 year but not more than 5 years

Over 5 years

Amount in Taka	
31.12.2017	31.12.2016
19,650,850,412	15,741,321,068
27,650,423,026	26,870,966,155
2,738,580,630	2,868,406,400
7,856,510,197	4,363,969,206
15,392,077,576	15,017,258,549
2,618,589,467	2,544,391,131
1,086,247,160	906,182,879
8,862,671,044	7,058,001,274
3,292,087,268	1,586,756,507
381,559,699	272,113,671
7,716,923,111	8,284,285,098
1,241,654,531	1,183,568,988
2,410,697,325	3,209,997,432
372,090,293	215,982,188
21,208,250,277	9,871,406,429
15,113,301	14,478,764
320,672,560	300,178,434
122,814,997,877	100,309,264,173
-	-
122,814,997,877	100,309,264,173
1,194,745,047	932,093,595
2,128,291,613	1,415,102,105
3,323,036,660	2,347,195,700
126,138,034,537	102,656,459,873
126,138,034,537	102,656,459,873
9,364,951,088	3,798,964,355
203,557,538	236,548,859
3,232,453,750	2,920,440,399
12,800,962,376	6,955,953,613
113,337,072,161	95,700,506,260
-	-
21,536,853,782	14,507,430,935
22,702,797,088	15,391,902,992
40,842,266,592	33,182,964,136
30,671,035,610	31,589,325,065
10,385,081,465	7,984,836,745
126,138,034,537	102,656,459,873

Amount in Taka	
31.12.2017	31.12.2016

7.3 Loans and advances/Investments under the following broad categories :

Loans	87,772,069,889	69,550,684,556
Cash Credit	15,392,077,576	15,017,258,549
Overdraft	19,650,850,412	15,741,321,068
	122,814,997,877	100,309,264,173
Bills purchased and discounted	3,323,036,660	2,347,195,700
	126,138,034,537	102,656,459,873

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)	314,103,000	246,000,400
b) Loans and advances/Investments to Chief Executive and other senior executives (including staff)	594,372,665	622,694,363
c) Loans and advances/Investments to customers group :		
i) Commercial lending	27,400,500,000	3,840,500,000
ii) Export financing	1,914,600,000	5,266,000,000
iii) House building loan	2,368,577,601	2,315,148,563
iv) Consumers Credit Scheme	276,049,593	271,733,632
v) Small and medium enterprises	21,208,250,277	9,871,406,429
vi) Special program loan	113,939,380	126,400,000
vii) Other Loans and advances/Investments	1,543,062,222	21,681,874,419
	54,824,979,073	43,373,063,044

d) Industrial Loans/Investments

i) Agricultural Industries	5,588,155,463	4,363,967,705
ii) Textile Industries	21,587,800,000	22,218,500,000
iii) Food and allied Industries	8,583,200,000	2,225,300,000
iv) Pharmaceuticals Industries	361,500,000	161,500,000
v) Leather, Chemical and Cosmetics etc	275,600,000	286,400,000
vi) Cement and Ceramic Industries	2,692,600,000	2,292,600,000
vii) Service Industries	16,542,700,000	14,411,300,000
viii) Transport and Communication Industries	5,178,500,000	4,532,600,000
ix) Other Industries	9,594,524,336	7,922,534,361
	70,404,579,799	58,414,702,066

Total Loans and advances/Investments

126,138,034,537	102,656,459,873
------------------------	------------------------

7.5 Geographical Location-wise Loans and advances/Investments:**Urban:**

Dhaka Division	78,228,061,515	64,866,803,421
Chittagong Division	23,570,557,966	22,723,377,959
Khulna Division	6,830,302,461	4,149,380,025
Barishal Division	394,345,335	398,074,372
Rajshahi Division	4,672,786,917	1,503,717,534
Rangpur Division	4,923,709,333	2,953,488,962
Sylhet Division	415,251,279.00	448,677,112.39
Mymensing Division	253,344,735	189,534,793
	119,288,359,541	97,233,054,179

Amount in Taka	
31.12.2017	31.12.2016
4,655,809,220	3,597,836,925
812,770,271	708,875,271
162,932,418	175,073,723
-	-
359,920,816	209,746,579
495,647,392	385,793,727
166,821,556	191,998,661
195,773,323	154,080,809
6,849,674,996	5,423,405,694

Rural :

Dhaka Division
Chittagong Division
Khulna Division
Barishal Division
Rajshahi Division
Rangpur Division
Sylhet Division
Mymensing Division

Outside Bangladesh**Total**

126,138,034,537 **102,656,459,873**

7.6 Details of pledged collaterals

Agriculture and SME
Manufacturing/Production
Real Estate
Capital Market and Non-Bank Financial Institutions
Service
Others

10,919,268,447	10,878,080,237
38,041,918,329	35,631,526,467
12,637,528,964	11,842,723,928
4,332,603,132	4,211,703,273
13,727,608,217	11,610,175,895
12,720,670,601	11,954,691,500
92,379,597,690	86,128,901,300

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 1,770.69 crore as at 31 December ,2017 (Taka 1,372.55 Crore in 2016)

Number of Clients
Amount of outstanding advances/Investments /Investments
Amount of classified advances/Investments/Investments
Measures taken for recovery

21	15
4581.98 Crore	3,345.51 Crore
-	-
Not applicable	Not applicable

Name of Clients	Outstanding as on 31.12.2017		Total Amount (in crore)	
	Funded	Non-Funded	2017	2016
Chaity Group	244.05	225.44	469.49	411.55
Shinha Group	243.82	109.60	353.42	305.49
Saad Musa Group	275.31	-	275.31	263.71
Paradise Group	240.34	52.47	292.81	229.65
Pran RFL Group	311.40	5.10	316.50	212.30
Basundhara Group	235.93	7.59	243.52	260.32
Noman Group	148.20	41.06	189.26	217.94
Ocean Paradise	158.08	0.05	158.13	152.79
Armana Group	7.32	241.53	248.85	214.75
Everway Yarn Dyeing Industries Ltd.	94.75	59.01	153.76	-
Rangs Group	195.29	10.50	205.79	162.15
Abul Khair Group	95.71	51.74	147.45	206.27
Modern Group	229.70	-	229.70	208.90
N.Z. Group	148.60	37.42	186.02	-
Anwar Group	121.62	31.58	153.20	151.98
Abdul Monem Group	109.25	42.06	151.31	187.59
City Group	-	142.47	142.47	-
Mir Akhter Hossain Ltd.	180.30	58.20	238.50	-
Navana Group	91.10	48.21	139.31	160.12
Partex Group	127.13	11.03	138.16	-
Gemcon	149.01	0.02	149.03	-
Total	3,406.91	1,175.13	4,581.99	3,345.51

	Amount in Taka	
	31.12.2017	31.12.2016
7.8 Particulars of loans and advances/Investments		
i) Loans/Investments considered good in respect of which the Bank is fully secured	86,450,677,766	88,920,485,399
ii) Loans/Investments considered good against which the bank holds no security other than the debtors' personal guarantee	32,779,093,471	6,810,536,393
iii) Loans/Investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	2,339,194,300	6,925,438,081
iv) Loans/Investments adversely classified; provision not maintained there against	4,569,069,000	-
	126,138,034,537	102,656,459,873
v) Loans/Investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	-	-
	908,475,665	868,698,363
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	354,488,530	333,099,210
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.	921,279,081	902,371,732
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	314,103,000	283,730,000
ix) Due from banking companies	-	-
x) Total amount of Classified advances/Investments on which interest is not credited to income	9,364,951,088	3,798,964,355
a) Movement of Classified Loans and advances/Investments		
Opening Balance	3,798,964,355	2,852,619,914
Increase/(decrease) during the year	5,565,986,733	106,162,461
	9,364,951,088	3,798,964,355
b) Provision kept against loan classified as bad debts (note-7.10)	2,190,571,867	1,894,369,740
c) Interest credited to interest suspense Account (note-12.4)	203,557,538	236,548,859
xi) Cumulative amount of written off loans/Investments		
Opening Balance	3,107,750,481	2,694,268,331
Amount written off during the year	646,890,418	413,482,150
	3,754,640,899	3,107,750,481
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	12,613,902,008	8,351,377,387

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	
31.12.2017	31.12.2016
116,773,083,449	98,857,495,518
116,526,721,708	98,417,858,647
246,361,741	439,636,871
9,364,951,088	3,798,964,355
473,800,059	56,136,066
145,008,679	43,324,451
8,746,142,350	3,699,503,838
126,138,034,537	102,656,459,873

* Bank has calculated Tk. 936.50 Crore as total classified loans & advances as on 31.12.2017, But Bangladesh Bank vide letter no. DBI-1/111/2018-1125 dated 28.03.2018 has instructed to calculate Tk.1045.14 Crore as total classified loans & advances of the bank as on that date.

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)	87,443,628,578	87,443,628,578	1% to 5%	878,538,041	831,206,919
Small and Medium Enterprise financing	20,078,902,883	20,078,902,883	0.25%	50,197,257	23,400,350
Loan to BH/MB/SD agst shares	305,157,357	305,157,357	2.00%	6,103,147	10,832,327
Consumer Financing	491,813,839	491,813,839	2.00%	9,836,277	37,694,572
House Finance	5,563,597,142	5,563,597,142	1.00%	55,635,971	89,678,918
Agriculture Finance	5,563,597,142	5,563,597,142	1.00%	-	-
Staff loan	583,641,034	583,641,034	0.00%	-	-
Special Mentioned Account	246,361,741	246,324,970	.25% to 5%	2,012,274	4,438,822
Classified-specific provision					
Sub Standard	473,800,059	338,032,206	5% to 20%	67,239,771	3,986,901
Doubtful	145,008,679	117,908,765	5% to 50%	58,907,097	5,219,921
Bad/Loss	8,746,142,350	2,064,424,998	100.00%	2,064,424,998	1,885,162,917
	126,055,999,428	119,211,377,538		2,190,571,866	1,894,369,739

Required provision for loans and advances/Investments

3,232,453,749

2,920,440,397

Total Provision maintained (note-12.2)

3,232,453,750

2,920,440,399

Excess/(Short) provision at 31 December

1

2

Amount in Taka	
31.12.2017	31.12.2016

** Bank has maintained Tk. 323.25 Crore as total provision against total loans & advances/investments as on 31.12.2017 against which Bangladesh Bank has calculated total provision of Tk. 780.16 Crore. As per Bangladesh Bank letter no. DBI-1/111/2018-1125 dated 28.03.2017 the additional provision will have to be accounted for 35% in 2018, 35% in 2019 and 30% in 2020 by the Bank

7.11 Particulars of required provision on Off-Balance Sheet Exposures

	Base for Provision	Rate %		
Acceptance and endorsements	15,969,566,926	1%	159,695,669	124,288,666
Letter of guarantee	10,173,507,297		101,735,073	75,258,140
Letter of credit	11,388,114,825		113,881,148	101,573,389
Bills for Collection	4,388,679,552		43,886,796	33,745,869
Required provision of Off-Balance Sheet Exposures			419,198,686	334,866,064
Total provision maintained (note-12.3)			419,198,686	334,866,064
Excess/(short) provision at			-	-

7.12 Suits filed by the bank (Branch wise details)

Principal Branch	125,753,000	90,005,000
Topkhana Branch	397,679,596	388,351,278
Khulna Branch	701,672,905	691,672,905
Gulshan Branch	94,602,178	48,175,821
Sylhet Branch	257,862,962	243,574,059
Uttara Branch	341,025,723	107,918,222
Rajshahi Branch	141,213,572	17,932,215
Khatungonj Branch	2,000,740,437	1,177,152,133
Jubilee Road Branch	1,592,990,950	1,352,258,210
Cox's Bazar Branch	24,319,806	4,847,506
Imamgonj Branch	178,981,252	178,981,252
Saidpur SME/Krishi Branch	34,636,800	11,578,339
Agrabad Branch	2,275,008,959	1,073,117,555
Panthapath Branch	43,865,000	43,865,000
CEPZ Branch	47,965,074	38,021,489
Bhairab SME Branch	4,136,436	2,311,208
Benapole Branch	109,760,948	61,743,897
Rangpur Branch	103,218,833	30,898,883
Beanibazar Branch	21,885,408	14,794,434
CDA Branch	626,359,499	383,437,985
Kustia Branch	35,063,963	34,824,818
Dhanmondi Branch	154,808,278	33,685,369
Green Road Branch	24,917,386	29,215,186
Dinajpur Branch	153,942,099	72,161,125
Faridpur Branch	12,610,794	7,816,880
Nilphamari Branch	3,445,729	260,000
Takerhat Branch	22,261,093	2,412,788

Amount in Taka	
31.12.2017	31.12.2016
1,906,015,251	1,869,306,266
239,172,179	174,366,626
70,151,646	28,613,782
32,681,342	27,880,724
115,953,843	13,863,906
34,492,626	23,892,750
23,200,120	21,700,120
6,688,992	5,525,992
17,077,425	606,510
24,000,000	12,000,000
4,082,905	4,991,352
24,410,923	8,315,623
10,732,503	10,732,503
17,221,470	6,290,080
16,806,564	2,277,596
22,637,512	-
34,046,541	-
6,333,000	-
3,480,857	-
31,200,000	-
371,920,266	-
70,867,363	-
12,613,902,008	8,351,377,387

1,194,745,047	932,093,595
2,128,291,613	1,415,102,105
3,323,036,660	2,347,195,700

-	-
1,329,214,664	938,878,280
1,661,518,330	1,408,317,420
-	-
2,990,732,994	2,347,195,700

-	-
-	-
-	-
126,138,034,537	104,456,114,013
126,138,034,537	104,456,114,013

122,814,997,877	100,309,264,173
(270,372,525)	
-	-
-	-
2,086,917,389	2,223,574,329
273,584,767	159,050,818
124,905,127,508	102,691,889,320

Amount in Taka	
31.12.2017	31.12.2016
Consolidated bills purchased and discounted	
Standard Bank Limited (note-7)	2,347,195,700
Standard Exchange Co.(UK) Ltd.	-
Standard Express(USA) Ltd.	-
SBL Capital Mgt. Ltd.	-
SBL Securities Ltd.	-
3,323,036,660	2,347,195,700
128,228,164,168	105,039,085,020
8. Fixed assets including premises, furniture and fixture	
Land	2,370,861,325
Land and Building	497,920,065
Furniture & Fixture	575,452,344
Office Appliance	582,706,269
Computer	209,621,194
Bank's Vehicle	111,879,928
Total cost	4,348,441,125
Intangible Assets	
Software	97,016,041
Total cost	4,445,457,166
Less: Accumulated Depreciation	781,679,807
Net book value at the end of the year	3,663,777,359
(See Annexure-B for details)	
8(a) Consolidated fixed assets including premises, furniture and fixture	
Standard Bank Limited (note-8)	3,491,354,112
Standard Exchange Co.(UK) Ltd.	2,324,051
Standard Express(USA) Ltd.	12,260,322
SBL Capital Mgt. Ltd.	3,516,983
SBL Securities Ltd.	6,127,820
3,663,777,359	3,515,583,288
9. Other assets	
Stock of Stationery	12,361,540
Stamps in hand	3,933,128
Suspenses A/c (note-9.1)	224,814,746
Advance Deposit	1,396,298
Branch adjustments accounts (note-12.9)	137,401,518
Sundry Assets (note-9.2)	7,808,126,045
9,360,256,438	8,188,033,275
9.1 Suspense Accounts	
Sundry Debtors	34,991,137
Advance Against TA/DA	410,000
Advance Against Proposed Branch	35,072,880
Advance Against Legal Expenses	6,402,335
Encashment-PSP/BSP/WEDB	107,054,108
Advance on against board meeting	235,000
Advance Against Annual General Meeting	15,000
Mobile Banking	47,177
Cash Remittance	40,587,109
406,329,723	224,814,746

9.2 Sundry Assets

	Amount in Taka	
	31.12.2017	31.12.2016
Advance Rent	352,437,469	355,084,208
Interest Receivable (note - 9.4)	345,686,322	241,889,224
Prepaid expenses	55,565,221	1,041,222
Advance Tax (note-9.3)	8,085,953,448	7,155,073,367
Repo Adjustment	-	-
Protested Bill Account	28,737,128	28,737,128
Clearing Adjustment	(2,063,362)	(2,062,862)
BFTN adjustment	(23,585,316)	(17,686,264)
Working Progress, Building	2,480,341	-
Initial Public Offerings (Ipo)	-	-
Interest Waived	-	30,129,672
Excise duty adjustment on FDR	17,832,280	15,920,050
Demand Draft without advice	300	300
	8,863,043,831	7,808,126,045

9.3 Advance Tax

Advance Corporate Tax	7,642,662,115	6,768,792,586
Advance Income tax on L/C Commission	81,456,113	71,783,895
Advance Income tax on Tr.Bill	131,342,103	109,059,077
Advance Income tax on Share dividend	164,042,770	146,581,990
Advance Tax On Vehicle	885,000	490,000
Advance Income tax on Interest Balance with other banks	58,387,580	53,507,419
Advance Income tax on Subordinated bond	7,177,767	4,858,400
	8,085,953,448	7,155,073,367

9.4 Interest Receivable

Interest Receivable on Staff loan	374	-
Interest Receivable on LTR	-	-
Interest Receivable on Lerm Loan	862,663	-
Interest Receivable on SME	1,146,232	-
Interest Receivable on Bill purchased & discount	-	-
Interest Receivable on Treasury Bond	284,830,364	236,955,562
Interest Receivable on SOD	12	-
Interest Receivable on Agri & Rural Credit	130,847	-
Interest Receivable on transport loan	-	-
Interest Receivable on Subordinated Bond	24,081,731	1,247,615
Interest Receivable on packing credit	9,400	-
Interest Receivable on FDR	34,624,699	3,686,047
	345,686,322	241,889,224

9(a) Consolidated other assets

Standard Bank Limited (note-9)	9,360,256,438	8,188,033,275
Standard Exchange Co.(UK) Ltd.	18,911,247	16,416,608
Standard Express(USA) Ltd.	12,315,346	12,794,250
SBL Capital Mgt. Ltd.	337,727,377	230,957,516
SBL Securities Ltd.	391,280,978	367,100,674
	10,120,491,387	8,815,302,323

		Amount in Taka	
		31.12.2017	31.12.2016
10. Borrowings from other banks, financial institutions and agents			
In Bangladesh (note-10.1)		11,363,158,094	4,462,884,832
Outside Bangladesh		2,061,375,912	804,095,112
		13,424,534,006	5,266,979,944
10.1 In Bangladesh			
Call Borrowings			
Rupali Bank Ltd	-	200,000,000	
State Bank of India	190,000,000		
Sonali Bank Ltd	800,000,000		
Janata Bank Ltd	1,400,000,000		
Southeast Bank Ltd	150,000,000		
Prime Bank Ltd	200,000,000		
Mutual Trust Bank Ltd	400,000,000		
Other Borrowings			
Re-Finance from B Bank	110,616,171	129,623,360	
EDF from B Bank	2,512,541,923	2,133,261,472	
SBL Subordinated Bond	5,600,000,000	2,000,000,000	
	11,363,158,094	4,462,884,832	
Outside Bangladesh			
ICICI Bank UAE	2,061,375,912	804,095,112	
	13,424,534,006	5,266,979,944	
10.2 Security against borrowing from other banks, financial institutions and agents			
Secured	-	-	
Unsecured	13,424,534,006	5,266,979,944	
	13,424,534,006	5,266,979,944	
10.3 Maturity grouping of borrowing from other banks, financial institutions and agents			
Repayable on demand	13,424,534,006	5,266,979,944	
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	-	-	
	13,424,534,006	5,266,979,944	
10(a) Consolidated Borrowings from other banks, financial institutions and agents			
Standard Bank Limited (note-9)	13,424,534,006	5,266,979,944	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	16,597,260	
SBL Securities Ltd.	-	-	
	13,424,534,006	5,283,577,204	
11 Deposits and other deposits			
Deposits from banks (note-11.1)	12,410,000,000	8,860,000,000	
Deposits from customers (note.11.3)	122,298,610,919	113,664,939,102	
	134,708,610,919	122,524,939,102	

		Amount in Taka	
		31.12.2017	31.12.2016
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)	12,410,000,000	8,860,000,000	
	12,410,000,000	8,860,000,000	
11.2 Deposits' from banks (Fixed Deposits)			
United Commercial Bank Limited	1,000,000,000	980,000,000	
Agrani Bank Limited	1,500,000,000	-	
Sonali Bank	1,800,000,000	-	
Pubali Bank Limited	400,000,000	-	
Bank Alfalah Limited	220,000,000	-	
Southeast Bank Limited	300,000,000	-	
HABIB Bank Ltd	-	190,000,000	
Trust Bank Limited	1,000,000,000	1,000,000,000	
Mutual Trust Bank Limited	-	400,000,000	
Dutch Bangla Bank Limited	1,000,000,000	-	
Rupali Bank Ltd	2,000,000,000	1,000,000,000	
Com.Bank of ceylon	-	500,000,000	
Standard Chartered Bank	90,000,000	90,000,000	
Uttara Bank Limited	1,000,000,000	2,500,000,000	
NCC Bank Limited	-	1,000,000,000	
Prime Bank Limited	-	200,000,000	
Eastern Bank Limited	100,000,000	-	
Bank Asia Limited	2,000,000,000	1,000,000,000	
	12,410,000,000	8,860,000,000	
11.3 Current deposits and other Deposits			
i) Current / Al-wadeeah current deposits	6,677,396,111	4,938,555,405	
Foreign Currency deposits	3,277,163,080	3,014,137,616	
Sundry deposits (note - 11.4)	7,737,895,310	6,933,238,195	
	17,692,454,501	14,885,931,216	
ii) Bills payable			
Pay orders issued	2,648,909,832	2,886,074,644	
Pay slips issued	600	600	
Demand draft	22,620,170	22,656,702	
	2,671,530,602	2,908,731,946	
iii) Savings bank Deposits/Mudaraba savings deposits	10,350,006,851	8,036,626,269	

		Amount in Taka	
		31.12.2017	31.12.2016
iv) Term Deposits/Fixed Deposits			
Fixed deposits/Mudaraba Fixed Deposits (Excluding Bank Deposit)		78,023,874,209	74,185,594,746
Short term deposits		4,758,715,053	4,621,491,769
Deposits Under Schemes		8,802,029,703	9,026,563,156
		91,584,618,965	87,833,649,671
Total		122,298,610,919	113,664,939,102
11.4 Sundry deposits			
Sundry creditors		211,313,635	206,746,807
Foreign currency held against back to back L/C		1,000	1,000
Margin on Letter of Guarantee		697,942,176	580,954,468
Margin on Letter of Credit		886,214,818	620,647,863
Margin on FDBP/IBP/Export bills etc.		316,927,956	365,877,617
Sales proceeds of PSP/BSP etc.		208,300,000	55,850,000
Risk Fund		5,554,071	5,234,318
Service charge		1,814,024	1,264,924
Security Money		10,224,720	10,639,441
SBL Employees Provident Fund		118,626	37,714
SBL Employees W. Fund		1,007,096	1,003,700
Interest payable on deposits		5,015,904,810	4,759,488,462
VAT, Excise Duty and Income Tax		370,744,139	256,310,656
SBL Gratuity Fund			60,000,000
Central Fund (RMG Sector)		827,708	430,963
Others		11,000,531	8,750,262
		7,737,895,310	6,933,238,195
11.5 Maturity analysis of inter-bank deposits			
Repayable on demand		-	-
Up to 1 month		-	-
Over 1 month but within 3 months		-	-
Over 3 months but within 1 year		12,410,000,000	8,860,000,000
Over 1 year but within 5 years		-	-
Over 5 years but within 10 years		-	-
Over 10 years		-	-
		12,410,000,000	8,860,000,000
11.6 Maturity analysis (Deposits received from other than banks)			
Repayable on demand		6,009,656,500	4,444,699,865
Up to 1 month		4,642,521,504	7,252,920,744
Over 1 month but within 3 months		19,308,810,490	17,202,539,385
Over 3 months but within 1 year		25,488,205,171	25,576,306,502
Over 1 year but within 5 years		30,917,225,289	33,552,790,502
Over 5 years but within 10 years		35,932,191,966	25,635,682,105
Over 10 years		-	-
		122,298,610,919	113,664,939,102
11.7 Maturity analysis (Bills payable)			
Repayable on demand		-	-
Up to 1 month		2,671,530,602	2,908,731,946
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		-	-
		2,671,530,602	2,908,731,946

		Amount in Taka	
		31.12.2017	31.12.2016
11.8 Payable on Demand and Time Deposits			
i. Demand Deposits			
Current / Al-wadeeah current Deposits	6,677,396,111	4,938,555,405	
Savings Deposits/Mudaraba Savings deposits (10%)	1,035,000,685	803,662,627	
Foreign Currency Deposits (non interest/profit bearing)	3,277,163,080	3,014,137,616	
Sundry deposits	7,737,895,310	6,933,238,195	
Bills payable	2,671,530,602	2,908,731,946	
	21,398,985,788	18,598,325,789	
ii. Time Deposits			
Savings deposits/Mudaraba savings deposits (90%)	9,315,006,166	7,232,963,642	
Fixed deposits/Mudaraba Term Deposits	90,433,874,209	83,045,594,746	
Short term deposits/Mudaraba short term deposits	4,758,715,053	4,621,491,769	
Deposits under schemes	8,802,029,703	9,026,563,156	
Foreign currency deposits (interest/profit bearing)	-	-	
	113,309,625,131	103,926,613,313	
	134,708,610,919	122,524,939,102	
11.9 Fixed Deposits- Maturity wise Grouping(including Bank Deposit)			
Repayable within 01 month	6,696,156,083	8,370,195,104	
Repayable over 1 months but within 03months	18,832,938,984	16,740,390,208	
Repayable over 3 months but within 1 year	19,265,562,540	18,010,033,275	
Repayable over 1 year but within 5 years	18,509,054,339	23,315,857,210	
Repayable over 5 years but within 10 years	27,130,162,263	16,609,118,949	
Unclaimed Deposits for 10 years and above	-	-	
	90,433,874,209	83,045,594,746	
11.10 Deposits Under Schemes			
Standard Bank Regular Deposit Programme(SRDP)	4,324,878,044	3,540,112,713	
Double Income Plus (DI+)	2,946,555,083	3,625,044,087	
Standard Bank Regular Income Programme(SRIP)	405,103,091	486,381,465	
Savings scheme for Tk.10.00 lac	504,889,826	614,870,582	
Savings scheme for Tk.5.20 lac	241,781,139	383,659,135	
Marriage SB Insurance Scheme	200,000	200,000	
SBL Lakhopati Plus Programme	52,547,355	62,505,105	
SBL Millionaire Plus Programme	84,893,656	152,050,069	
SBL 1.5 Times Income Program	241,181,509	161,740,000	
	8,802,029,703	9,026,563,156	
11.11 Sector -wise deposits			
Government & autonomous	5,087,252,181	3,228,409,578	
Deposit Money Bank	12,410,000,000	8,860,000,000	
Other public sector	2,391,771,668	2,492,310,222	
Foreign Currency	3,277,163,080	3,014,137,616	
Private	111,542,423,990	104,930,081,686	
	134,708,610,919	122,524,939,102	
11(a) Consolidated deposits and other deposits			
Current deposits and other deposits			
Standard Bank Limited (note-11.3)	17,692,454,501	14,885,931,216	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	22,075,381	28,892,385	
SBL Securities Ltd.	-	-	
	17,714,529,882	14,914,823,601	

	Amount in Taka	
	31.12.2017	31.12.2016
Bills payable		
Standard Bank Limited (note-11.3)	2,671,530,602	2,908,731,946
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	2,671,530,602	2,908,731,946
Savings bank/Mudaraba savings deposits		
Standard Bank Limited (note-11.3)	10,350,006,851	8,036,626,269
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	10,350,006,851	8,036,626,269
Short Term Deposits		
Standard Bank Limited (note-11.3)	4,758,715,053	4,621,491,769
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	4,758,715,053	4,621,491,769
Term/Fixed deposits		
Standard Bank Limited (note-11.3)	90,433,874,209	83,045,594,746
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	90,433,874,209	83,045,594,746
Deposits under schemes		
Standard Bank Limited (note-11.3)	8,802,029,703	9,026,563,156
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.	-	-
SBL Securities Ltd.	-	-
	8,802,029,703	9,026,563,156
	134,730,686,300	122,553,831,487
12. OTHER LIABILITIES		
Provision for Taxation (note-12.1)	8,338,383,501	7,383,301,414
Deferred Tax (note-12.1(i))	71,247,558	51,974,753
Accrued Expenses	39,021,280	28,326,121
General Provision for Unclassified Loans (note-12.2)	1,039,869,609	1,021,631,836
General Provision for SMA (note-12.2)	2,012,274	4,438,823
Specific provision for Classified loans (note-12.2)	2,190,571,867	1,894,369,740
Provision for classified others Assets (note-12.6)	36,218,603	36,218,603
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)	419,198,686	334,866,064
Interest Suspense Account (note-12.4)	203,557,538	236,548,859
Provision for Nostro A/c	42,575	42,575
Provision for Bonus (note-12.5)	205,916,120	199,480,377

		Amount in Taka	
		31.12.2017	31.12.2016
Provision for LFC		26,497,251	25,996,962
Provision for interest waived (note-12.11)		-	40,000,000
SBL Foundation		30,000,000	30,000,000
Provision for Green Banking		13,000,000	10,500,000
Dividend Settlement A/C		25,830	25,830
Provision for Incentive of good borrower		9,014,716	10,000,000
Commission Payable Account		123,693	-
Payable to OBU		32,733	32,733
Provision for unforeseen losses		8,041,284	8,041,283
Profit receivable on Bai Murabaha/Bai Muajjal		21,113,754	2,256,390
Exchange House		16,938,385	11,533,610
MFS Settlement Account		69,261	-
Islamic Settlement Account		768,357	803,126
Foreign Currency translation gains (note-12.10)		10,886,791	1,100,671
Total		12,687,326,897	11,336,265,000

12.1 Provision for Taxation

Opening Balance	7,383,301,414	6,326,724,066
Addition during the period	955,082,087	1,056,577,348
	8,338,383,501	7,383,301,414
Adjustment during the period	-	-
Closing Balance	8,338,383,501	7,383,301,414

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)	8,338,383,501	7,383,301,414
Standard Exchange Co.(UK) Ltd.	-	-
Standard Express(USA) Ltd.	-	-
SBL Capital Mgt. Ltd.		201,459,401
Opening Balance	201,459,401	143,772,904
Addition during the period	44,887,937	57,686,497
Closing Balance	246,347,338	201,459,401
SBL Securities Ltd.		44,203,094
Opening Balance	44,203,094	50,660,867
Addition during the period	24,552,244	13,220,198
Adjustment during the period	8,170,848	19,677,971
Closing Balance	60,584,490	44,203,094
	60,584,490	7,628,963,909

12.1(i) Deferred Tax :

Opening Balance	51,974,753	43,478,165
Additional provision made during the period	19,272,805	8,496,588
	71,247,558	51,974,753
Adjustment during the period	-	-
Closing Balance	71,247,558	51,974,753

		Amount in Taka	
		31.12.2017	31.12.2016
12.2 Provision for Loans and advances/Investments			
i) The movement in general provision for unclassified Loans:			
Provision held at the beginning of the year	1,021,631,836	896,410,550	
Additional provision for the period	18,237,773	125,221,286	
Provision held at the end of the period	1,039,869,609	1,021,631,836	
ii) The movement in general provision on Special Mention Account (SMA) loans:			
Provision held at the beginning of the year	4,438,823	3,243,331	
Amount transferred to provision for bad & doubtful debts	-	-	
Additional provision for the period	(2,426,549)	1,195,491	
Provision held at the end of the period	2,012,274	4,438,823	
iii) The movement in specific provision for bad and doubtful debts:			
Provision held at the beginning of the Period	1,894,369,740	1,576,604,262	
Amount adjusted during the Period	400	-	
Amount written off during the Period	(573,733,679)	(383,936,128)	
Additional amount of provision for the Period	-	-	
Amount of provision for the Period	869,935,406	701,701,606	
Provision held at the end of the period	2,190,571,867	1,894,369,740	
Total	3,232,453,750	2,920,440,399	
12.3 The movement in General provision for Off Balance Sheet Items:			
Provision held at the beginning of the Period	334,866,064	291,960,955	
Additional provision for the period	84,332,622	42,905,109	
Provision held at the end of the period	419,198,686	334,866,064	
12.4 Interest Suspense Account			
Balance at the beginning of the Period	236,548,859	251,682,207	
Amount transferred to " Interest Suspense A/c" during the period (+)	56,153,964	47,616,770	
Amount recovered in " Interest Suspense A/c" during the period (-)	15,988,546	33,204,096	
Amount written off during the Period (-)	73,156,739	29,546,022	
Balance at the end of the period	203,557,538	236,548,859	
12.5 Provision for Bonus			
Balance at the beginning of the period	199,480,377	250,000,000	
Add: Additional provision for the period	180,000,000	150,000,000	
Less: Disbursement during the period	173,564,257	200,519,623	
	205,916,120	199,480,377	
12.6 Provision for other Assets			
a) Provision against protested bill			
Balance at the beginning of the period	28,737,128	28,737,128	
Add: Addition during the period	-	-	
	28,737,128	28,737,128	
b) Provision against suspense			
Balance at the beginning of the period	7,481,475	9,381,475	
Less: Amount written off during the Period	-	1,900,000	
Add: Addition during the period	-	-	
	7,481,475	7,481,475	
Total Provision for other Assets	36,218,603	36,218,603	

		Amount in Taka	
		31.12.2017	31.12.2016
12.6(a) Consolidated Provision for Other Assets			
Standard Bank Limited (note-12.7)	36,218,603	36,218,603	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	489,064	489,064	
Add: Addition during the period	-	-	
	36,707,667	36,707,667	
12.7 Provision for decrease in value of Investments			
Balance at the beginning of the Period	4,775,231	4,775,231	
Less: adjustment during the period	-	-	
Add: Addition during the period	-	-	
	4,775,231	4,775,231	
12.7 (a) Consolidated Provision for decrease in value of Investments			
Standard Bank Limited (note-12.7)	4,775,231	4,775,231	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	445,168,793	415,277,439	
Add: Addition during the period	-	29,891,354	
SBL Securities Ltd.	17,266,746	13,183,893	
Add: Addition during the period	6,240,253	4,082,853	
	473,451,023	467,210,770	
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.	253,028,243	158,594,101	
Add: Addition during the period	66,363,985	94,434,142	
SBL Securities Ltd.	1,444,402	1,444,402	
Add: Addition during the period	25,740	-	
	320,862,370	254,472,645	
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	
		31.12.2017	31.12.2016
12.10 Foreign Currency translation gains/loss against investment			
Standard Exchange Co.(UK) Ltd.	(818,809)	(5,144,929)	
Beginning of the Period	(5,144,929)	776,554	
Addition during the period	-	-	
Adjustment during the period	(4,326,120)	5,921,483	
Standard Express(USA) Ltd.	11,705,600	6,245,600	
Beginning of the Period	6,245,600	5,825,600	
Addition during the period	5,460,000	420,000	
Adjustment during the period	-	-	
Total Foreign Currency translation gains	10,886,791	1,100,671	
Less: Foreign Currency translation loss			
Beginning of the Period	-	-	
Addition during the period	-	-	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
	10,886,791	1,100,671	
12.11 Provision for interest waived			
Balance at the beginning of the Period	40,000,000	47,075,225	
Add: Additional provision for the Period	(40,000,000)	40,000,000	
Less: Disbursement during the period	-	47,075,225	
	-	40,000,000	
12.(a) Consolidated other liabilities			
Standard Bank Limited (note-12)	12,687,326,897	11,336,265,000	
Standard Exchange Co.(UK) Ltd.	12,345,762	13,195,661	
Standard Express(USA) Ltd.	81,550,457	12,004,093	
SBL Capital Mgt. Ltd.	1,013,339,232	901,782,805	
SBL Securities Ltd.	339,154,229	115,812,679	
	14,133,716,578	12,379,060,238	
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
2016	5% Bonus	37,705,095	377,050,950	7,918,069,970

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	
31.12.2017	31.12.2016
660,000,000	660,000,000
6,602,293,970	6,225,243,020
655,776,000	655,776,000
7,918,069,970	7,541,019,020

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 (%)	
	01.01.2017	31.12.2017	01.01.2017	31.12.2017
Sponsors/Promoters	321,536,757	278,476,052	43%	35%
Investment Corporation of Bangladesh	37,299,543	32,094,619	5%	4%
ICB Unit Fund, ICB Mutual Fund & ICB Investors Account	26,199,696	27,317,341	3%	3%
Financial Institutions	18,675,325	83,694,000	2%	11%
General Public	350,390,581	370,224,985	46%	47%
Total	754,101,902	791,806,997	100%	100%

Amount in Taka	
31.12.2017	31.12.2016

13.7 Classification of Shareholders by holding as on 31 December, 2017

Given below the history of raising of share capital:

Shareholding range	Number of Share holders	No. of shares	No. of shares
01-500	6667	1,334,621	1,490,468
501-5,000	11310	23,224,264	26,533,441
5,001-10,000	2060	15,235,271	16,903,801
10,001-20,000	1184	17,064,904	20,177,190
20,001-30,000	412	10,143,081	13,665,839
30,001-40,000	179	6,274,388	7,664,380
40,001-50,000	149	6,823,156	7,204,979
50,001-100,000	245	18,097,122	22,465,153
100,001-10,00,000	337	106,075,495	126,692,576
10,00,000 to 100,00,000	91	261,173,318	197,614,984
100,00,000 and over	16	326,361,377	313,699,091
	22650	791,806,997	754,111,902

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 2017 is shown below:

Tier -I Capital (Going-Concern Capital)

Paid up Capital	7,918,069,970	7,541,019,020
Statutory Reserve (note-14)	4,595,037,104	4,175,158,942
General Reserve	-	-
Surplus Profit & Loss Account/Retained Earnings	798,884,512	785,832,258
Sub Total	13,311,991,586	12,502,010,220
Regulatory Adjustments	32,539,939	2,145,311,949
Total Core Capital (Tier-I)	13,279,451,647	10,356,698,271

Tier-II Capital (Gone Concern Capital)

General Provision maintained against unclassified loan/ investment (note-12.2)	1,041,881,883	1,026,070,659
Provision for Off-Balance sheet exposure(note-12.3)	419,198,686	334,866,064
SBL Subordinated Bond	5,600,000,000	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	7,074,213,278	3,374,069,432
Regulatory Adjustments	7,879,625	5,253,084
Total Supplementary Capital (Tier-II)	7,066,333,653	3,368,816,348
A. Total Capital Regulatory Capital	20,345,785,300	13,725,514,619
B. Total Risk Weighted Assets	143,443,427,799	118,987,266,607
C. Required Capital based on risk weighted assets (10%)	14,344,342,780	11,898,726,661
D. Surplus/(Deficiency) (A-C)	6,001,442,520	1,826,787,958
Capital to Risk Weighted Ratio ((A/B)*100)	14.18%	11.54%

Percentage of Capital on Risk weighted Assets:**Capital Requirement**

Minimum Common Equity Tier-I

Minimum Tier-I

Tier-II

Total

31.12.2017	31.12.2016
Required	Required
4.50%	4.50%
5.50%	5.50%
Not specified	Not specified
10.00%	10.00%

13.8(a) Capital to Risk Weighted Assets Ratio (CRAR) under BASEL-III(Consolidated basis)

The calculation of CRAR under Basel III (Consolidated basis) has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014. The required capital as well as total maintained regulatory capital of the Bank at the close of business on 31 December 2017 is shown below:

Tier -I Capital (Going-Concern Capital)

Paid up Capital

Statutory Reserve (note-14a)

General Reserve

Minority interest in subsidiaries

Surplus Profit & Loss Account/Retained Earnings

Sub Total**Regulatory Adjustments****Total Core Capital (Tier-I)****Tier-II Capital (Gone Concern Capital)**

General Provision maintained against unclassified loan/ investment (note-12.2)

Provision for Off-Balance sheet exposure(note-12.3)

SBL Subordinated Bond

Revaluation gain/loss on Securities 50% of revaluation reserves as on 31 December 2014 (Tk. 26,265,418.00)

Sub Total**Regulatory Adjustments****Total Supplementary Capital (Tier-II)****A. Total Capital****B. Total Risk Weighted Assets****C. Required Capital based on risk weighted assets (10%)****D. Surplus/(Deficiency) (A-C)****Capital to Risk Weighted Ratio ((A/B)*100)****Percentage of Capital on Risk weighted Assets:****Capital Requirement**

Minimum Common Equity Tier-I

Minimum Tier-I

Tier-II

Total

Taka	Taka
7,918,069,970	7,541,019,020
4,595,037,104	4,175,158,942
-	-
147,639,	140,254
894,282,046	832,722,855
13,407,536,759	12,549,041,071
70,181,379	2,145,311,949
13,337,355,380	10,403,729,122
1,041,881,883	1,026,070,659
419,198,686	334,866,064
5,600,000,000	2,000,000,000
13,132,709	13,132,709
7,074,213,278	3,374,069,432
7,879,625	5,253,084
7,066,333,653	3,368,816,348
20,403,689,032	13,772,545,470
146,143,687,057	121,008,980,742
14,614,368,706	12,100,898,074
5,789,320,327	1,671,647,395
13.96%	11.38%

31.12.2017	31.12.2016
Required	Required
4.50%	4.50%
5.50%	5.50%
Not specified	Not specified
10.00%	10.00%

		Amount in Taka	
		31.12.2017	31.12.2016
14 Statutory Reserve			
Opening balance at the beginning of the Period		4,175,158,942	3,753,432,725
Addition during the period		419,878,162	421,726,217
Closing balance at the end of the Period		4,595,037,104	4,175,158,942
14(a) Consolidated Statutory Reserve			
Opening balance at the beginning of the Period		4,175,158,942	3,753,432,725
Addition during the period		419,878,162	421,726,218
Closing balance at the end of the Period		4,595,037,104	4,175,158,942
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)		23,697,443	16,389,640
Adjustment during the Period		(23,697,443)	(16,389,640)
Addition during the period		2,638,743	23,697,443
Closing balance at the end of the Period		2,638,743	23,697,443
15.1(a) Consolidated revaluation gain/loss on investment			
Standard Bank Limited		2,638,743	23,697,443
Standard Exchange Co.(UK) Ltd.		-	-
Standard Express(USA) Ltd.		-	-
SBL Capital Mgt. Ltd.		-	-
SBL Securities Ltd.		-	-
		2,638,743	23,697,443
16. Retained earnings/movement of profit and loss account			
Balance on 1 January		785,832,258	1,010,618,744
Add: Net Profit after tax for the Period		1,125,035,916	1,043,557,151
Add: Transfer from SCML		29,998,800	104,996,150
Add: Transfer from SBSL		31,997,600	31,997,600
Less: Transfer to statutory Reserve		(419,878,162)	(421,726,217)
Less: Cash/Stock dividend		(754,101,900)	(983,611,170)
Balance at		798,884,512	785,832,258
16(a) Consolidated retained earnings/movement of profit and loss account			
Balance on 1 January		832,722,855	1,146,871,194
Add: Net Profit after tax for the Period		1,238,450,432	1,088,201,035
Less: Transfer to statutory Reserve		(419,878,162)	(421,726,218)
Add/Less: Foreign Currency translation Gain/ loss		(2,903,794)	2,992,088
Less: Minority Interest		(7,385)	(4,074)
Less: Cash/Stock dividend		(754,101,900)	(983,611,170)
Balance at		894,282,046	832,722,855
16.1 Retained Earnings carried forward from previous Period			
Balance on 1 January		164,001,324	63,154,065
Add: Net Profit after tax & statutory reserve for the previous Period		621,830,934	947,464,679
Add: Transfer from SCML		29,998,800	104,996,150
Add: Transfer from SBSL		31,997,600	31,997,600
Less: Cash/Stock dividend		(754,101,900)	(983,611,170)
Balance at		93,726,758	164,001,324

		Amount in Taka	
		31.12.2017	31.12.2016
16.1(a) Consolidated Retained Earnings carried forward from previous Period			
Balance on 1 January	166,248,037	23,994,626	
Add: Net Profit after tax & statutory reserve for the previous Period	666,474,818	1,122,876,568	
Add/ Less: Foreign Currency translation Gain /(loss)	(2,903,794)	2,992,088	
Less: Minority Interest	(7,385)	(4,074)	
Less: Cash/Stock dividend	(754,101,900)	(983,611,170)	
Balance at	75,709,776	166,248,038	
16.1(b) Minority Interest			
SBL Capital Mgt. Ltd.			
Balance on 1 January	67,076	65,797	
Add: Addition during the period	1,915	1,279	
Sub Total	68,991	67,076	
SBL Securities Ltd.			
Balance on 1 January	73,178	70,383	
Add: Addition during the period	5,470	2,795	
Sub Total	78,647	73,178	
Balance at	147,639	140,254	
17. CONTINGENT LIABILITIES			
17.1 Acceptances and Endorsements			
Back to Back L/C (Foreign)	92,535,948	31,990,181	
Back to Back L/C (Local)	5,199,038,899	4,276,236,026	
Letter of Credit (Others)	10,677,992,079	8,120,640,360	
	15,969,566,926	12,428,866,567	
17.2 Letter of Guarantee			
Letter of Guarantee(Local)	10,071,541,872	7,466,401,059	
Letter of Guarantee(Foreign)	101,965,425	59,412,980	
Others	-	-	
	10,173,507,297	7,525,814,039	
Money for which the Bank is contingently liable in respect of guarantees given favoring:			
Directors	-	-	
Government	-	-	
Banks and other financial institutions	-	-	
Others	10,173,507,297	7,525,814,039	
	10,173,507,297	7,525,814,039	
17.3 Irrevocable Letter of Credit			
Letter of Credit (Sight)	7,994,455,705	7,104,555,262	
Letter of Credit (Usance)	3,393,659,120	3,052,783,594	
Letter of Credit (Others)	-	-	
	11,388,114,825	10,157,338,856	
17.4 Bill for Collection			
Inward local bill for collection	-	208,154,897	
Inward Foreign bill for collection	-	406,000	
Outward local bill for collection	2,719,074,251	1,771,158,123	
Outward Foreign bill for collection	1,669,605,301	1,394,867,909	
	4,388,679,552	3,374,586,929	
17.5 Other Contingent Liabilities			
	-	-	
	-	-	
	41,919,868,600	33,486,606,391	

		Amount in Taka	
		31.12.2017	31.12.2016
17(a) Consolidated contingent liabilities			
Acceptances and endorsements			
Standard Bank Limited (note-17)	15,969,566,926	12,428,866,567	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	15,969,566,926	12,428,866,567	
Letters of guarantee			
Standard Bank Limited (note-17)	10,173,507,297	7,525,814,039	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	10,173,507,297	7,525,814,039	
Irrevocable Letters of Credit			
Standard Bank Limited (note-17)	11,388,114,825	10,157,338,856	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	11,388,114,825	10,157,338,856	
Bills for Collection			
Standard Bank Limited (note-17)	4,388,679,552	3,374,586,929	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	4,388,679,552	3,374,586,929	
Other Contingent liabilities			
Standard Bank Limited (note-17)	-	-	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	41,919,868,600	33,486,606,391	
18 Income Statement			
Income:			
Interest/ profit, discount and similar income (note-18.1)	10,557,249,848	10,190,193,175	
Dividend income (note-20)	25,307,503	34,177,101	
Fees, Commission and brokerage (note-21.1)	532,486,433	423,707,664	
Gains Less Losses arising from dealing in securities (note-20)	3,302,661	-	
Gains Less Losses arising from Investment securities (note-20)	1,815,298,436	1,405,420,433	
Gains Less Losses arising from dealing in Foreign Currencies (Note-21.2)	417,654,375	341,573,724	
Income from non banking assets	-	-	
Other operating income (note-22)	338,332,707	294,526,106	
Profit less losses on interest rate changes	-	-	
Total	13,689,631,963	12,652,124,923	
Expenses:			
Interest/profit paid on deposit, Borrowings etc.(note-19)	7,574,695,794	6,972,385,990	
Losses on loans and advances/Investments	-	-	
Administrative Expenses (note-18.2)	2,469,281,213	2,222,845,746	
Other operating expenses (note-33)	446,523,896	353,865,977	
Depreciation on Banking assets (note-32)	129,660,999	123,372,630	
Total	10,620,161,902	9,672,470,343	
Operating Profit before Provision	3,069,470,061	2,979,654,580	

		Amount in Taka		
		31.12.2017	31.12.2016	
18(a) Consolidated Income Statement	Income:			
	Standard Bank Limited (note-18)	13,689,631,963	12,692,124,923	
	Standard Exchange Co.(UK) Ltd.	13,006,881	21,797,603	
	Standard Express(USA) Ltd.	106,321,040	90,787,783	
	SBL Capital Mgt. Ltd.	174,024,743	205,978,917	
	SBL Securities Ltd.	117,364,037	66,120,281	
	Total	14,100,348,664	13,036,809,507	
	Expenses:			
	Standard Bank Limited (note-18)	10,620,161,902	9,712,470,343	
	Standard Exchange Co.(UK) Ltd.	16,195,709	22,749,357	
Standard Express(USA) Ltd.	104,720,800	85,580,275		
SBL Capital Mgt. Ltd.	15,439,164	17,092,876		
SBL Securities Ltd.	18,876,353	15,303,149		
Total	10,775,393,928	9,813,196,000		
Consolidated Operating Profit before Provision		3,324,954,736	3,223,613,507	
		-	-	
18.1 Interest/profit , Discount and similar income	Interest/profit received from Loans and advances/Investments (note-18.3)	10,414,530,373	10,085,014,419	
	Interest/profit received from FC clearing Account	5,247,175	2,536,876	
	Interest/profit received from Bank and other financial institutions	137,472,300	62,641,880	
		10,557,249,848	10,150,193,175	
18.2 Administrative Expenses	Salary and allowances (note-23)	1,812,074,323	1,634,484,537	
	Rent, Taxes, Insurance, Electricity etc. (note-24)	470,481,785	429,747,049	
	Legal expenses (note-25)	14,102,129	10,803,149	
	Postage, stamp, telecommunication etc. (note-26)	31,778,971	28,696,783	
	Stationery, Printings, advertisement etc. (note-27)	76,333,597	58,154,377	
	Managing Director's salary and fees (note-28)	10,540,000	7,675,000	
	Directors' Fees (note-29)	8,375,718	7,176,344	
	Auditor's fees (note-30)	759,000	1,138,500	
	Repair of Bank's assets (note-32)	44,835,690	44,970,007	
		2,469,281,213	2,222,845,746	
	Expenses included VAT on which applicable			
	18.3 Interest/profit received from Loans and advances/Investments	Secured overdraft/Quard against TDR	1,931,314,310	1,879,554,061
		Term Loan	2,303,103,352	2,694,721,032
Export Development Fund (EDF)		88,757,604	106,186,676	
Agriculture Loan		650,095,866	368,954,938	
Cash credit/ Murabaha		1,363,741,423	1,477,852,889	
House Building loans		234,369,791	232,264,923	
Staff Loans		9,937,189	12,337,561	
Transport Loans		79,879,720	81,738,868	
Loans against trust receipt		693,955,563	693,347,462	
Payment against document		300,190,303	79,818,671	
Packing credit		31,435,893	27,196,300	
Demand Loan		707,804,111	567,601,148	
Lease Finance / Izara		131,146,359	110,595,867	
Syndicate/Club Finance		267,106,527	382,890,624	
VISA Credit Card		38,218,413	25,375,100	
SME/SE		1,383,431,393	1,140,011,605	
Green Finance		1,466,718	1,002,341	
Consumer Credit Scheme/Hire purchase		25,971,961	25,163,592	
Inland bills purchased		152,601,508	83,392,325	
Foreign bills purchased and discounted		20,002,369	95,008,436	
Total interest on loans and advances/Investments		10,414,530,373	10,085,014,419	

		Amount in Taka	
		31.12.2017	31.12.2016
Interest / profit received from FC clearing account		5,247,175	2,536,876
Interest/profit received from Bank and other Financial Institution		109,956,467	42,174,297
Interest on Call Loans		27,515,833	20,467,583
Total		142,719,475	65,178,756
		10,557,249,848	10,150,193,175
18.3(a) Consolidated interest income/profit on investment			
Standard Bank Limited (note-18.3)		10,557,249,848	10,150,193,175
Standard Bank Limited (Intt. Received from SCML)		(149,828,173)	(155,016,089)
Standard Bank Limited (Intt. Received from SBSL)		(5,372,293)	-
Standard Exchange Co.(UK) Ltd.		-	-
Standard Express(USA) Ltd.		218,618	432,135
SBL Capital Mgt. Ltd.		133,996,145	228,147,941
SBL Securities Ltd.		36,100,456	28,120,758
		10,572,364,601	10,251,877,920
19. Interest/profit paid on deposits, borrowings, etc.			
Interest/Profit paid on deposits (note -19.1)		7,187,548,690	6,670,448,304
Interest paid on borrowings		387,147,104	301,937,686
		7,574,695,794	6,972,385,990
19.1 Interest/Profit paid on deposits ,borrowing etc of the Bank			
Interest/Profit paid on deposits			
Savings Bank / Mudaraba Savings Deposits		195,844,911	201,224,158
Short Term Deposits / Mudaraba Short Term Deposits		118,720,524	122,316,001
Fixed Deposits / Mudaraba Term Deposits		5,640,486,600	5,114,661,497
Deposits Under Schemes / Mudaraba Deposit Schemes		1,232,453,040	1,232,246,648
Interest Paid on Foreign Currency		43,615	-
		7,187,548,690	6,670,448,304
Interest/Profit paid on borrowing			
Interest paid on call deposit		14,760,847	42,719,736
Interest paid on subordinated Bond		300,876,712	230,000,000
Interest paid on Bangladesh Bank Refinance		4,888,656	6,635,143
Interest paid on foreign Bank		47,916,590	20,795,551
Interest paid on ALS		-	-
Interest paid on Banlgladesh Bank Islamic fund		-	-
Interest paid on repurchase agreement(Repo)		18,704,299	1,787,256
		387,147,104	301,937,686
		7,574,695,794	6,972,385,990
19(a) Consolidated interest / profit paid on Deposits, borrowings, etc.			
Standard Bank Limited (note-19)		7,574,695,794	6,972,385,990
Standard Exchange Co.(UK) Ltd.		-	-
Standard Express(USA) Ltd.		-	-
SBL Capital Mgt. Ltd.		146,142	3,499,979
SBL Securities Ltd.		-	-
		7,574,841,936	6,975,885,969
20. Income from Investment			
Dividend on shares		25,307,503	34,177,101
Gain on shares		3,302,661	-
Interest/profit received from Subordinated Bond		75,131,322	24,750,963
Interest income from Government Securities(Note 20.1)		1,312,794,792	1,087,485,100
Capital Gain on Government Securities(Note 20.2)		427,372,322	293,184,370
		1,843,908,600	1,439,597,534

		Amount in Taka	
		31.12.2017	31.12.2016
20.1	Interest income from Government Securities		
	Interest on treasury bills	57,807,905	113,775,358
	Interest on treasury bonds	2,920,364,341	1,339,427,743
		2,978,172,246	1,453,203,101
	Interest expenses on treasury bills	-	-
	Interest expenses on treasury bonds	1,425,315,698	177,785,994
		1,425,315,698	177,785,994
	Net interest income from Government Securities	1,552,856,548	1,275,417,107
	Less:Net Revaluation Gain/(loss) on Government Securities (Note 20.03)	(240,061,756)	(187,932,007)
	Net Interest income from Government Securities	1,312,794,792	1,087,485,100
20.2	Capital Gain on Government Securities		
	Capital Gain on treasury bills	502,053,104	293,184,370
	Capital Gain on treasury bonds	-	-
		502,053,104	293,184,370
	Capital loss on treasury bills	74,680,782	-
	Capital loss on treasury bonds	-	-
		74,680,782	-
	Net Capital Gain on Government Securities	427,372,322	293,184,370
20.3	Revaluation Gain/(loss) on Government Securities		
	Revaluation Gain on treasury bills	518,485	57,322,152
	Revaluation Gain on treasury bonds	-	-
		518,485	57,322,152
	Revaluation loss on treasury bills	240,580,241	245,254,159
	Revaluation loss on treasury bonds	-	-
		240,580,241	245,254,159
	Net Revaluation Gain/(loss) on Government Securities	(240,061,756)	(187,932,007)
20(a)	Consolidated Income from Investment		
	Standard Bank Limited	1,843,908,600	1,439,597,534
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	147,999,375	106,518,328
	SBL Securities Ltd.	47,178,454	27,581,696
		2,039,086,429	1,573,697,558
21.	Commission/Fees, Exchange and Brokerage		
	Commission /Fees (note-21.1)	532,486,433	423,707,664
	Exchange earnings (note-21.2)	417,654,375	341,573,724
	Brokerage	-	-
		950,140,808	765,281,388
21.1	Commission		
	Commission on Import L/Cs	30,487,208	16,291,348
	Commission on Export L/Cs	160,157,835	136,206,184
	Commission on Back to Back L/Cs	209,934,909	170,047,748
	Commission on Bank Guarantee	106,255,825	85,563,776
	Commission on chanchyapatra	3,492,586	2,015,312
	Commission on Remittance	22,158,070	16,013,217
	Underwriting commission	-	96,799
		532,486,433	426,234,384
	Brokerage	-	-
		532,486,433	426,234,384

		Amount in Taka	
		31.12.2017	31.12.2016
21.2	Exchange		
	Gains arising from Dealing Securities	-	-
	Less: Losses	-	-
	Gains arising from Investment Securities	-	-
	Less: Losses	-	-
	Gains arising from Foreign Trade Business	558,379,493	480,577,159
	Less: Losses	140,725,118	139,003,435
		417,654,375	341,573,724
21(a)	Consolidated Commission, Exchange and Brokerage		
	Standard Bank Limited (note-21)	950,140,808	767,808,108
	Standard Exchange Co.(UK) Ltd.	11,689,454	20,696,652
	Standard Express(USA) Ltd.	104,990,811	90,307,587
	SBL Capital Mgt. Ltd.	40,491,696	25,003,537
	SBL Securities Ltd.	39,216,423	10,256,042
		1,146,529,192	914,071,929
22.	Other operating income		
	SWIFT & Telex charge recoveries	54,739,194	50,315,646
	Postage charge recoveries	20,891,436	18,898,789
	Service charges	108,546,024	79,040,174
	FCC recoveries	-	1,300.00
	Rebate on nostro a/c	47,361,397	43,697,856
	Handling charges on EDF	34,164,608	23,524,646
	Locker charges	754,402	747,121
	LC advising charges	152,750	146,650
	Loan processing/documentation fees	16,227,412	19,020,245
	Capital Gain on Sale of Assets	2,887,175	7,947,800
	Service charges agst CIB/Clearing return	1,216,195	1,278,626
	Debit / VISA Card Fees	32,088,282	19,571,484
	Stationery Charge Recovery	249,153	1,050,322
	Handling Charge On Import Lc	1,186,640	896,768
	Handling Charge On Export Lc	8,593,017	11,254,777
	Handling Commission On Lease Finance	1,005,885	-
	Earning on Treasury FEX	834,171	334,801
	NPSB Settlement Income	2,229,731	1,871,892
	Miscellaneous earnings	5,205,235	14,927,209
		338,332,707	294,526,106
22(a)	Consolidated other operating income		
	Standard Bank Limited (note-22)	338,332,707	294,526,106
	Standard Exchange Co.(UK) Ltd.	1,317,427	1,100,951
	Standard Express(USA) Ltd.	1,111,611	48,061
	SBL Capital Mgt. Ltd.	1,365,700	1,325,200
	SBL Securities Ltd.	240,997	161,785
		342,368,442	297,162,103
23.	Salaries and allowances		
	Basic salary	666,046,666	619,145,269
	Allowances (note-23.1)	754,133,609	652,622,813
	Bonus & ex-gratia	300,683,350	268,238,618
	Bank's contribution to provident fund	65,978,048	61,130,182
	Casual wages	25,232,650	33,347,655
		1,812,074,323	1,634,484,537

23.1 Allowances

House rent allowances
Conveyance allowances
Entertainment allowances
House maintenance & utility
Medical allowances
Risk allowances
Washing allowances
Remuneration for probationaries
Charge allowances
Leave Fare Compensation
Gratuity
Leave Encashment
Extra allowances

Amount in Taka	
31.12.2017	31.12.2016
333,097,390	309,214,265
67,626,292	65,205,916
56,574	301,418
11,266,260	12,020,705
94,644,678	93,987,056
1,985,493	1,918,176
1,888,937	1,908,234
80,513,711	38,509,835
2,161,948	2,084,770
26,124,313	25,784,660
120,000,000	88,000,000
14,172,913	13,223,282
595,100	464,496
754,133,609	652,622,813

23(a) Consolidated salaries and allowances

Standard Bank Limited (note-23)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

1,812,074,323	1,634,484,537
5,996,313	6,316,044
40,527,724	36,068,553
8,522,248	8,013,163
7,573,700	7,758,298
1,874,694,309	1,692,640,595

24. Rent, Taxes, Insurance, electricity, etc.

Rent- Office
Rent- Godown
Lease Rent-Vehicle
Rates and taxes
Insurance
Utilities

285,713,423	262,597,383
18,000	18,000
-	5,690,832
51,358,101	37,820,916
73,592,814	69,679,675
59,799,447	53,940,243
470,481,785	429,747,049

24(a) Consolidated Rent, Taxes, Insurance, electricity, etc.

Standard Bank Limited (note-24)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

470,481,785	429,747,049
5,820,401	4,928,940
31,716,900	24,061,588
1,835,823	1,873,875
1,898,483	1,826,175
511,753,392	462,437,627

25. Legal expenses

Legal fees & charges
Stamp & notary public expenses

7,937,800	7,537,446
6,164,329	3,265,703
14,102,129	10,803,149

25(a) Consolidated Legal expenses.

Standard Bank Limited (note-25)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

14,102,129	10,803,149
474,492	2,032,964
3,389,599	3,578,459
165,600	180,550
201,250	162,150
18,333,070	16,757,272

26. Postage, Stamps, Telecommunication etc.

Postage
Telegram, telex, fax and e-mail
Telephone, Mobile (office & residence)
SWIFT /Reuters charges

14,454,399	12,846,094
156,211	78,977
8,136,173	7,871,173
9,032,188	7,900,539
31,778,971	28,696,783

26(a) Consolidated Postage, Stamps, Telecommunication etc.

Standard Bank Limited (note-26)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

31,778,971	28,696,783
183,784	81,907
1,918,793	1,390,339
61,271	51,760
230,490	304,088
34,173,309	30,524,877

		Amount in Taka	
		31.12.2017	31.12.2016
27. Stationery, Printing, Advertisement etc.			
Printing stationery	9,117,153	7,325,523	
Security stationery	1,983,732	3,131,276	
Petty stationery	7,784,399	7,617,029	
Computer stationery	12,763,925	10,467,324	
Publicity and advertisement	44,684,388	29,613,225	
	76,333,597	58,154,377	
27(a) Consolidated Stationery, Printing, Advertisement etc.			
Standard Bank Limited (note-27)	76,333,597	58,154,377	
Standard Exchange Co.(UK) Ltd.	343,078	272,106	
Standard Express(USA) Ltd.	4,501,196	3,210,669	
SBL Capital Mgt. Ltd.	261,231	131,306	
SBL Securities Ltd.	183,519	135,910	
	81,622,621	61,904,368	
28. Managing Director's salary and fees			
Basic salary	6,000,000	3,300,000	
House rent allowance	1,200,000	1,650,000	
Medical Allowances	360,000	360,000	
House maintenance & utility	480,000	1,065,000	
Bonus	2,000,000	400,000	
Leave Fare Compensation	500,000	900,000	
	10,540,000	7,675,000	
29. Directors fees & meeting expenses			
Directors fees	2,280,000	2,400,000	
Travelling and haltage	3,678,506	2,926,572	
Refreshment and dinner	2,417,212	1,849,772	
	8,375,718	7,176,344	
29(a) Consolidated Directors fees & meeting expenses			
Standard Bank Limited (note-29)	8,375,718	7,176,344	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	493,200	156,600	
SBL Capital Mgt. Ltd.	656,765	803,948	
SBL Securities Ltd.	748,029	1,005,651	
	10,273,712	9,142,543	
30. Audit fees			
	759,000	1,138,500	
	759,000	1,138,500	
30 (a) Consolidated Auditors fees			
Standard Bank Limited	759,000	1,138,500	
Standard Exchange Co.(UK) Ltd.	-	227,783	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	57,500	57,500	
SBL Securities Ltd.	-	57,500	
	816,500	1,481,283	
31. Charges on loan losses			
Loan-written off	-	-	
Interest waived	-	-	
	-	-	

		Amount in Taka	
		31.12.2017	31.12.2016
31(a). Consolidated charges on loan losses			
Standard Bank Limited	-	-	-
Standard Exchange Co.(UK) Ltd.	-	-	-
Standard Express(USA) Ltd.	-	-	-
SBL Capital Mgt. Ltd.	-	-	-
SBL Securities Ltd.	-	-	-
	-	-	-
32. Depreciation and repair of Banks assets			
Depreciation on Fixed Assets			
Building	11,261,208	11,686,704	
Furniture & fixture	35,445,926	36,761,209	
Office appliance & equipment	38,164,297	39,101,448	
Computer	19,191,527	17,600,405	
Software	10,957,532	9,912,370	
Motor vehicle	14,640,509	8,310,494	
	129,660,999	123,372,630	
Repair, Renovation & Maintenance of Bank's Assets			
Office furniture	245,845	548,919	
Office appliance & equipment	9,890,322	8,390,926	
Computer	2,016,865	1,047,381	
Software	20,925,341	19,021,491	
Motor vehicle	11,757,317	15,961,290	
	44,835,690	44,970,007	
Total	174,496,689	168,342,637	
Depreciation charged on fixed assets except land on straight line method in 2017 and it was reducing balance method in 2016. The possible effect of this movement is reduction in useful life and even allocation of depreciation.			
32(a) Consolidated depreciation and repair of Banks assets			
Standard Bank Limited (note-32)	174,496,689	168,342,637	
Standard Exchange Co.(UK) Ltd.	650,951	1,090,606	
Standard Express(USA) Ltd.	5,152,282	4,410,092	
SBL Capital Mgt. Ltd.	405,748	376,359	
SBL Securities Ltd.	1,097,032	1,068,478	
	181,802,702	175,288,172	
33. OTHER EXPENSES			
Entertainment (office)	16,023,623	14,756,748	
Donation & subscription	118,655,778	70,118,980	
Travelling	18,537,217	10,537,029	
Anniversary	737,438	3,357,553	
Branch /Subsidiary company opening expenses	4,061,778	4,027,029	
Training and seminar expenses	8,918,715	5,945,669	
Newspaper and periodicals	1,044,873	1,049,383	
Petrol, oil and lubricants	27,942,323	28,964,336	
Car expenses	29,395,307	29,426,218	
Photocopy expenses	3,311,970	3,272,174	
Staff uniform and liveries	2,904,514	1,724,455	
Cleaning and washing	5,108,839	1,692,705	
Premises up keeping	3,207,350	3,668,753	
Local conveyance	6,759,079	5,515,504	
Business development	4,368,320	5,381,418	
Freight and cartage	119,785	177,412	
Cook and servant	486,800	392,700	
Annual General Meeting	8,575,382	8,339,563	

		Amount in Taka	
		31.12.2017	31.12.2016
Bank charges and commission paid		9,829,866	4,645,316
Loss on sale of Assets		72,351	343,176
On Line (ABB) expenses		326,182	282,387
Managers Conference exp		11,191,771	7,201,329
Performance award		685,638	625,000
SBL welfare fund		12,301,394	10,846,234
Generator expenses		9,135,660	9,038,768
Connectivity fees		25,455,638	21,846,822
CDBL Charges		-	422,313
Visa Card Process charges		3,024,275	1,872,777
Dhaka Stock Exchange		1,379,725	2,482,026
Chittagong Stock Exchange		1,379,208	2,457,026
Registered Joint Stock Company		69,919	-
Membership fee to Central Shariah Board		500,000	500,000
Calender ,dairy & greeting cards etc		26,419,250	22,804,615
Green Banking		2,500,000	2,500,000
SBL Foundation		30,000,000	30,000,000
NPSB settlement expenses		605,056	398,880
Discomfort Allowances		2,233,910	2,486,282
Security Service-Out Sourcing		25,443,065	21,597,731
Subordinated Bond Issue Expenses		22,425,000	11,437,226
Nid Verification Charge		682	-
Miscellaneous		1,386,215	1,730,440
		446,523,896	353,865,977
Expenses included VAT on which applicable			
33(a) Consolidated other expenses			
Standard Bank Limited (note-33)			
Standard Exchange Co.(UK) Ltd.		446,523,896	353,865,977
Standard Express(USA) Ltd.		2,726,690	7,799,007
SBL Capital Mgt. Ltd.		17,021,106	12,703,975
SBL Securities Ltd.		3,326,836	2,104,436
		6,943,850	2,984,899
		476,542,378	379,458,294
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		869,935,406	701,701,606
Provision for SMA loans and advances/investments		(2,426,549)	1,195,491
Provision for unclassified loans & advances/Investments		18,237,773	125,221,286
Provision for off balance sheet exposure		84,332,622	42,905,109
Provision for other assets		-	-
Provision for diminution in value of investments(34.1)		-	-
		970,079,252	871,023,493
34.1 Provision for diminution in value of investments			
Dealing Securities			
Quoted		-	-
Unquoted		-	-
Investment Securities			
Quoted		-	-
Unquoted		-	-
		-	-
		970,079,252	871,023,493

		Amount in Taka	
		31.12.2017	31.12.2016
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.	-	-	29,891,354
SBL Securities Ltd.	6,240,253	4,082,853	
	6,240,253	33,974,207	
34. (a) Consolidated Provision for loans/Investments,off balance sheet exposure & other assets			
*Provision for bad and doubtful loans and advances/investments-SBL	869,935,406	701,701,606	
Provision for SMA loans and advances/investments-SBL	(2,426,549)	1,195,491	
Provision for unclassified loans & advances/Investments -SBL	18,237,773	125,221,286	
Provision for off balance sheet exposure-SBL	84,332,622	42,905,109	
Provision for diminution in value of investments (SCML & SBSL)	6,240,253	33,974,207	
Provision for impairment of client margin loan (SCML & SBSL)	66,389,725	94,434,142	
Provision for others (SBL)	-	-	
	1,042,709,230	999,431,842	
*provision maintained as per approval of Bangladesh Bank vide their letter no DBI-1/111/2018/1125 dated 28.03.2018.			
35 Tax expenses			
Current tax	955,082,087	1,056,577,348	
Deferred tax	19,272,805	8,496,588	
	974,354,893	1,065,073,936	
35(a) Consolidated tax expenses			
Current tax			
Standard Bank Limited (note-35)	955,082,087	1,056,577,348	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	44,887,937	57,686,497	
SBL Securities Ltd.	24,552,244	13,220,198	
	1,024,522,268	1,127,484,043	
Deferred tax			
Standard Bank Limited (note-35)	19,272,805	8,496,588	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	-	-	
SBL Securities Ltd.	-	-	
	19,272,805	8,496,588	
Total	1,043,795,074	1,135,980,631	
36 Earning Per Share (EPS)			
Net profit after tax	1,125,035,916	1,043,557,151	
Number of Ordinary Share	791,806,997	791,806,997	
Earning Per Share *	1.42	1.32	

* 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	
		31.12.2017	31.12.2016
36(a) Consolidated Earning Per Share (EPS)			
Net profit after tax		1,238,450,432	1,088,201,035
Number of Ordinary Share		791,806,997	791,806,997
Earning Per Share *		1.56	1.37
* 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		54,739,194	50,315,646
Postage charge recoveries		20,891,436	18,898,789
Service charges		108,546,024	79,040,174
FCC recoveries		-	1,300
Rebate on nostro a/c		47,361,397	43,697,856
Handling charges on EDF		34,164,608	23,524,646
Locker charges		754,402	747,121
LC advising charges		152,750	146,650
Loan processing/documentation fees		16,227,412	19,020,245
Service charges agst CIB/Clearing return		1,216,195	1,278,626
Debit / VISA Card Fees		32,088,282	19,571,484
Stationery Charge Recovery		249,153	1,050,322
Handling Charge On Import Lc		1,186,640	896,768
Handling Charge On Export Lc		8,593,017	11,254,777
Handling Commission On Lease Finance		1,005,885	-
Earning on Treasury FEX		834,171	2,861,521
NPSB Settlement Income		2,229,731	1,871,892
Miscellaneous earnings		5,205,235	14,927,209
Capital Gain on Government Securities		427,372,322	293,184,370
Revaluation Gain/(loss) on Government Securities		-	-
		762,817,854	582,289,396
37(a) Consolidated Received from other operating activities			
Standard Bank Limited (note-35)		762,817,854	582,289,396
Standard Exchange Co.(UK) Ltd.		1,317,427	1,100,951
Standard Express(USA) Ltd.		1,111,611	48,061
SBL Capital Mgt. Ltd.		1,365,700	1,325,200
SBL Securities Ltd.		240,997	161,785
		766,853,589	584,925,393
38 Payments for other operating activities			
Rent, Taxes, Insurance, Electricity etc.		470,481,785	429,747,049
Legal Expenses		14,102,129	10,803,149
Postage, Stamp, Telecommunication etc.		31,778,971	28,696,783
Directors' Fee & Other benefits		8,375,718	7,176,344
Audit Fees		759,000	1,138,500
Charges on loan losses		-	40,000,000
Repair of Bank's assets		44,835,690	44,970,007
Other Expenses		446,523,896	353,865,977
		1,016,857,189	916,397,809

38(a) Consolidated Payments for other operating activities

Standard Bank Limited (**note-38**)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

Amount in Taka	
31.12.2017	31.12.2016
1,016,857,189	916,397,809
10,199,396	16,205,529
63,699,876	36,629,402
6,056,509	4,718,286
10,554,624	6,481,700
1,107,367,593	980,432,727

39 Changes in other assets

Stock of stationery
Stamps in hand
Suspenses A/c
Advance deposit
Branch adjustments accounts
Advance rent
Prepaid expenses
Protested Bill Account
Excise Duty adjustment on FDR
Repo adjustment
Gratuity Adjustment
Working Progress, Building
Interest Waived
Advance for Land & Building purchase
Clearing Adjustment

(11,398,859)	(2,910,114)
539,799	(873,388)
(181,514,977)	(224,814,746)
(715,155)	175,132
(33,635,685)	(136,792,870)
2,646,739	(1,301,649)
(54,523,999)	(1,041,222)
(0)	-
(1,912,230)	(6,173,020)
-	-
-	-
(2,480,341)	-
30,129,672	(30,129,672)
-	-
5,899,552	3,047,987
(246,965,484)	(400,813,562)

39(a) Consolidated Changes in other assets

Standard Bank Limited (**note37**)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

246,965,484	400,813,562
2,494,639	3,893,733
(478,904)	(1,482,508)
106,769,861	53,155,206
24,180,304	(8,268,423)
379,931,385	448,111,570

40 Changes in other liabilities

Accrued Expenses
Standard Exchange UK
Interest suspenses account
Provision for bonus
Islamic Settlement Account
Profit receivable
Provision for LFC
SBL Foundation
Provision for Green Banking
Provision for unforeseen losses
Dividend Settlement A/C
Commission Payable Account
Payable to OBU
Interest waived
MFS Settlement Account
Foreign Currency translation gains

10,695,159	12,725,720
5,404,775	(2,611,552)
(32,991,321)	(15,133,348)
6,435,743	(50,519,623)
(34,769)	-
18,857,364	(11,270,825)
500,289	3,024,553
-	-
2,500,000	-
1	2,000,000
-	25,830
123,693	-
-	32,733
(40,000,000)	(7,075,225)
69,261	-
9,786,120	(5,501,483)
(18,653,685)	(74,303,220)

Amount in Taka	
31.12.2017	31.12.2016
(18,653,685)	(74,303,220)
(849,899)	3,551,251
69,546,364	(6,257,132)
(164,749,776)	295,926,196
223,341,550	22,937,539
108,634,554	241,854,634

40(a) Consolidated Changes in other liabilities

Standard Bank Limited (note-38)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

41 Expenditure Incurred for employees

Number of employees at 31 December 2017 was 2076 (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. Kazi Sanaul Hoq	Director	Member	B.Com
4	Mr. Najmul Huq Chaudhury	Independent Director	Member	B.Com
5	Mr. Md. Nazmus Salehin	Independent Director	Member	M.Sc
6	Md. Ali Reza	CFO and Acting Company Secretary	Acting Member Secretary	MBA ,FCMA

During 31.12.2017, the Audit Committee discharged the following responsibilities:

- Reviewed the Company's draft financial statements for the Period ended 31st December 2015, 31st March 2017 & June 30, 2017 and 30 September, 2017 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 2017 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 6 (Six) times during the Period 2017. On invitation, Managing Director, AMD, DMD 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 2017

SL. No.	Name of the Persons	Designation	Present Address	% of Shares as on 31.12.2017
1	Mr. Kazi Akram Uddin Ahmed	Chairman	House No.73, Road No.6, O.R. Nizam Road R/A, Chittagong	2.35%
2	Mr.Mohammed Abdul Aziz	Vice Chairman	168, Fakirapool, Motijheel, Dhaka-1000	2.83%
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. S.A.M. Hossain	Director	Victor Electronics, 400 Bipani Bitan (3rd Floor), Chittagong-4000	2.72%
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. Kazi Sanaul Hoq	Director	"Head Office 8 Rajuk Avenue (14th Floor) Dhaka"	4.05%
13	Mr. Sahazada Syed Nizamuddin Ahmed	Independent Director	House # 1, Road # 2/A, (Banani Chairman Bari), Banani, Dhaka.	0.03%
14	Mr. Najmul Huq Chaudhury	Independent Director	House # 232, Road # 9, Block #B, Chandgaon, CDA R/A, Chittagong.	Nil
15	Mr. Md. Nazmus Salehin	Independent Director	Basati Green Hamlet, Apartment #d-13,23, Green Road, Dhaka-1205	Nil
16	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 liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December, 2017 under the guidelines of Bangladesh Bank BRPD circular No.14 dated 25th June, 2003

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 291st meetings decided to recommend payment of 10% stock dividend for the year 2017. The total amount of dividend is Taka. 791,806,997.

Standard Bank Limited

Balance with other Bank-Outside Bangladesh (Nostro Accounts)

As at 31 December, 2017

"Annexure -A"

Name of the Bank	Currency Name	31.12.2017			31.12.2016		
		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	584,629.13	82.7000	48,348,829	2,427,049.07	78.8000	191,251,467
Mashreq Bank Psc, New York	USD	909,618.99	82.7000	75,225,490	1,302,915.93	78.8000	102,669,775
ICICI Bank Ltd., Mumbai, India	ACU(\$)	199,912.61	82.7000	16,532,773	385,720.32	78.8000	30,394,761
Non Interest Bearing							
Standard Chartered Bank, New York	USD	244,389.64	82.7000	20,211,023	739,577.09	78.8000	58,278,675
ICICI Bank Ltd., Hongkong	USD	87,113.16	82.7000	7,204,258	746,651.89	78.8000	58,836,169
Bank Al-Jazira, KSA,USD	USD	107,830.00	82.7000	8,917,541	-	-	-
Sonali Bank (UK) LTD,USD	USD	-	82.7000	-	409,359.39	78.8000	32,257,520
AXIS Bank Limited, Mumbai, India	ACU(\$)	46,645.13	82.7000	3,857,552	50,010.70	78.8000	3,940,843
A.B. Bank Ltd. Mumbai	ACU(\$)	145,917.96	82.7000	12,067,415	44,390.02	78.8000	3,497,934
Standard Chartered Bank Ltd., Mumbai, India	ACU(\$)	254,741.21	82.7000	21,067,098	726,231.29	78.8000	57,227,026
Nepal Bangladesh Bank Ltd., Kathmundu, Nepal	ACU(\$)	76,004.26	82.7000	6,285,552	33,686.40	78.8000	2,654,488
NIB Bank Ltd., Karachi, Pakistan	ACU(\$)	-	82.7000	-	-	78.8000	-
Habib Metropolitan Bank, Karachi, Pakistan	ACU(\$)	23,778.12	82.7000	1,966,451	141,472.16	78.8000	11,148,006
Bhutan National Bank, Bhutan	ACU(\$)	75.70	82.7000	6,260	960.70	78.8000	75,703
Standard Chartered Bank, Frankfurt, Germany	EURO	13,365.06	98.8495	1,321,129	5,326.61	82.5984	439,969
Commerz Bank, Frankfurt, Germany	EURO	81,088.49	98.8495	8,015,553	74,849.25	82.5984	6,182,428
Standard Chartered Bank Ltd., Tokyo	JPY	3,245,594.00	0.7347	2,384,538	5,270,384.00	0.6786	3,576,219
Mashreq Bank, London, UK	GBP	525,026.39	111.2197	58,393,304	252,373.43	96.7446	24,415,754
Sonali Bank (UK) LTD,GBP	GBP	-	111.2197	-	13,992.15	96.7446	1,353,664
Alawwal Bank,KSA,SAR (Saudi Hallandi Bank, KSA)	SAR	149,987.00	21.9215	3,287,940	149,987.00	21.0762	3,161,156
Bank Al-Jazira, KSA	SAR	464,412.48	21.9215	10,180,618	150,000.00	21.0762	3,161,430
Westpac Banking Corporation Ltd.	AUD	7,001.84	65.2933	457,174	31,383.04	57.6624	1,809,620
Sub Total				305,730,499			596,332,608
Habib American Bank Ltd., New York(ObU)	USD	459,870.78	82.2000	37,801,378	132,761.91	78.80	10,461,637
Sub Total				343,531,877			606,794,245
FDR-Standard Chartered Bank , Mumbai, India	USD	94,500.00	77.8000	7,352,100	94,500.00	77.8000	7,352,100
GRAND TOTAL				350,883,977			614,146,345

Standard Bank Limited

Fixed Assets including premises, furniture and fixtures

As at 31 December, 2017

Description	Cost			Depreciation			Written down value at 31 December 2017
	Balance at 1st January 2017	Addition during the year	Adjustment for disposal	Balance at 31 December 2017	Balance at 1st January 2017	Addition during the year	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	2,370,861,325	-	-	2,370,861,325	-	-	2,370,861,325
Building	497,920,065	-	-	497,920,065	39,710,112	11,261,208	446,948,745
Furniture & Fixture	531,059,137	44,655,758	262,551	575,452,344	186,545,928	35,445,926	353,723,041
Office Appliances	398,340,131	184,366,138	-	582,706,269	231,152,928	38,164,297	313,389,044
Computer	178,606,786	31,014,408	-	209,621,194	100,434,083	19,191,527	89,995,584
Software	82,812,471	14,203,570	-	97,016,041	53,518,570	10,957,532	32,539,939
Bank Vehicle	88,675,554	27,844,374	4,640,000	111,879,928	45,559,738	14,640,509	56,319,681
Total 31.12.2017	4,148,275,469	302,084,248	4,902,551	4,445,457,166	656,921,359	129,660,999	3,663,777,359
Total 31.12.2016	3,996,765,978	170,703,171	19,193,678	4,148,275,471	552,742,407	123,372,630	3,491,354,112

"Annexure -B"

"Annexure -C"

SL. No.	Name & Address	Status with Bank	Name of Firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor employee, etc.	Position	Percentage (%) of Holding/ Interest in the concern	Remarks
1	Mr. Kazi Akram Uddin Ahmed House # 73, Road # 6, O.R. Nizam Road R/A, Chittagong.	Chairman	The Eastern Engineering Works Ltd. Bright Steel Ware Rope MFG Co. Ltd. M/s. Kazi & Co.	Managing Director Managing Director Proprietor	64.00% 33.33% 100.00%	
2	Mr. Mohammed Abdul Aziz 268, Fakirapool, Motijheel, Dhaka	Vice Chairman	New Ruma Products Alim International Diamond Commercial Agency Ruma Products Moonlux Composite Knit Garment Ltd.	Proprietor Proprietor Proprietor Proprietor Director	100% 100% 100% 100% 27%	
3	Mr. Kamal Mostafa Chowdhury "Bedura House", 72, Bangshal Road, Firingi Bazar, Kotwali, Chittagong.	Director	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 29/B, Ghatforhadbeg Chittagong	Director	1) NGS Steel Industries Ltd., 2) Uttam Oil Mills Ltd., 3) NG Saha Steel Industries (Pvt.) Ltd. 4) NGS Cement Industries Ltd. 5) A.K. Saha Steel Industries (Pvt.) Ltd.	Managing Director Managing Director Director Director Chairman	33% 33% 33% 33% 33%	
5	Mr. Ferozur Rahman My Heart', 8/1, Sukrabad, Agargaon, Dhaka.	Director	Golden Dragon Ltd. Hotel Eram Intl. Ltd. Hotel Peacock Ltd. M/s. Olio Enterprise Hotel Olio Dream Heaven	Director Director Director Proprietor Proprietor	15% 17.96% 65% 100% 100%	
6	Mr. Md. Monzurul Alam 218, D.T. Road, Dewanhat, Chittagong.	Director	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 Limited H.M. Steel & Ind. Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Proprietor 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. S. A. M. Hossain Victor Electronics 400 Bipani Bitan (3rd Floor), Chittagong.	Director	Victor Electronics Samira Electronics Samira Trade Intl. Eastern Metal Ind. Chittagong Ltd. Hotel Victory Ltd.	Proprietor Proprietor Proprietor Chairman Chairman	100% 100% 100% 12.50% 40%	
8	Al-Haj Mohammed Shamsul Alam M/s. Radio Vision 398, Bipani Bitan Chittagong.	Director	M/S. Radio Vision M/S. Pam Complex Pvt. Limited M/S. A.B. Electronics M/S. G. Telecom M/S. G. Net Digital Communication R.B. Electronics Industries Limited Midas Financing Ltd.	Managing Partner Managing Director Managing Partner Partner Partner Managing Director Shareholder	50% 31.50% 40% 33.33% 33.33% 50% 10,00,000 shares	

SL. No.	Name & Address	Status with Bank	Name of Firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor employee, etc.	Position	Percentage (%) of Holding / Interst in the concern	Remarks
9	Mr. Gulzar Ahmed Apan Jewellers, 65 Gulshan Avenue, Suvastu Imam Square (Ground Floor) Gulshan-1, Dhaka-1212.	Director	The Apan Jewelers	Proprietor	100%	
10	Mr. Md. Zahedul Hoque 284/285, Khatungonj, Chittagong,	Director	M/S Zahed Brothers M/S NLZ Fashion M/S NLZ Fashion Ltd. M/S. Noor Oil & Food Products Ltd. M/S. Arafat Ltd.	Proprietor Proprietor Managing Director Director Director	100% 100% 80% 100%	
11	Al-Haj Md. Yousuf Chowdhury 8/B, O. R. Nizam Road, Panchlaish R/A., Chittagong	Director	Hotel Royal Palace Limited Royal Tower M/s. Lucky Traders M/s Lucky International Central Insurance Ltd.	Chairman Proprietor Proprietor Proprietor Director	100% 100% 100% 100%	
12	Investment Corporation of Bangladesh (ICB), representing by Managing Director Investment Corporation of Bangladesh Head Office, 8, Rajuk Avenue(14th Floor), Dhaka.	Director	Not Applicable	Chairman Proprietor Proprietor Proprietor Director	100% 100% 100% 100%	
13	Mr. S. S. Nizamuddin Ahmed House # 1, Road # 2/A (Banani Chairman Bari) Banani, Dhaka	Independent Director	Not Applicable			
14	Mr. Najmul Huq Chaudhury House # 232, Road # 9 Block-B, Chandgaon CDA R/A Chittagong	Independent Director	Not Applicable			
15	Md. Nazmus Salehin Basati Green Hamlet Apartment # D-13, 23 Green Road, Dhaka- 1205	Independent Director	Not Applicable			
16	Mr. Manun-Ur-Rashid & CEO, Standard Bank Ltd. Chamber Building (3rd floor) 122-124, Motijheel C/A., Dhaka-1000	Ex-Officio Director	Not Applicable			

Standard Bank Limited

Statement of loans to our Bank Directors

As at 31 December, 2017

"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. Md. Abdul Aziz	Vice Chairman	M/s. Mohammed Abdul Aziz. M/s. Mohammed Abdul Aziz. M/s. New Ruma Products M/s. Alim International	CC (Hypo) Letter of Credit Letter of Credit Letter of Credit	600.00	0.00 20.70 36.68	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 Mr. Ashok Kumar Saha Mr. Ashok Kumar Saha NGS Steel Ind. Ltd. NG Shaha Steel Ind. Pvt. Ltd.	SOD (General) SOD (General) SOD (General) SOD (General) Bank Guarantee Bank Guarantee	500.00 125.00 90.00 1.07 1.30	499.02 128.56 90.27 1.07 1.30	UC UC UC UC UC UC	Regular Regular Regular Regular Regular Regular
5	Mr. Ferozur Rahman	Director	M/s. Olio Enterprise	SOD (General)	625.00	167.11	UC	Regular
6	Mr. Md. Monzurul Alam	Director	M/s. Monzurul Alam.	CC (Hypo)	749.00	706.58	UC	Regular
7	Mr. S.A. M Hossain	Director	M/s. Samira Trade International.	CC (Hypo)	660.00	430.79	UC	Regular
8	Mr. Alhaj Mohammed Shamsul Alam	Director	M/s. Radio Vision.	CC (Hypo)	524.00	349.00	UC	Regular
9	Mr. Md. Zahedul Haque	Director	M/s. N. L. Z. Fashion	CC (Hypo)	1048.00	1,057.16	UC	Regular
10	Mr. Alhaj Mohd. Yousuf Chowdhury	Director	M/s. Lucky Traders.	CC (Hypo)	555.00	0.00	UC	Regular
Total					6,835.00	3,141.03		

Standard Bank Limited

Investment in shares of the Bank

As at 31 December, 2017

"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 31.12.2017	Total market as at 31.12.2017
Quoted:							
1	First Bangladesh Fixed Income Fund	10	22,004,040	150,000,000	6.82	5.70	125,423,028
1	Bangladesh Steel Re-Rolling Mills Ltd	10	521,052	18,000,000	34.55	98.80	51,479,938
2	The ACME Laboratories Ltd.	10	1,282	109,226	85.20	114.00	146,148
2	OIMEX Electrode Limited	10	6,480	64,800	10.00	65.20	422,496
3	NAHEE Aluminum Composite Panel Limited	10	5,706	57,060	10.00	73.40	418,820
	Sub Total			168,231,086			177,890,430
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.			32,799,000			32,799,000
5	Standard Express(USA) Ltd.			115,080,000			115,080,000
6	SBL Capital Mgt. Ltd.			1,499,940,000			1,499,940,000
7	SBL Securities Ltd.			799,940,000			799,940,000
8	Preference Share Of Star Ceramics Ltd.			70,000,000			70,000,000
	Sub Total			2,682,310,349			2,682,310,349
	Total			2,850,541,435			2,860,200,779

Standard Bank Limited

Name of Directors and their Shareholdings

As at 31 December, 2017

"Annexure -F"

Sl. No.	Name of Directors	Status	Closing Share balance as on 31.12.2017	Closing Share balance as on 31.12.2016
1	Mr. Kazi Akram Uddin Ahmed	Chairman	"1,86,44,812 Shares of Tk. 10/- Each Tk. 18,64,48,120/-"	1,77,56,964 shares of Tk 10/- Each Tk. 17,75,69,640/-
2	Mr. Mohammed Abdul Aziz	Vice Chairman	"2,24,12,198 Shares of Tk. 10/- Each Tk. 22,41,21,980/-"	2,13,44,951 Shares of Tk. 10/- Each 21,34,49,510/-
3	Mr.Kamal Mostafa Chowdhury	Director	"1,91,02,780 Shares of Tk. 10/- Each Tk. 19,10,27,800/-"	1,81,93,124 Shares of Tk. 10/- Each Tk. 18,19,31,240/-
4	Mr. Ashok Kumar Saha	Director	"1,71,63,676 Shares of Tk. 10/- Each Tk. 17,16,36,760/-"	1,51,57,161 Shares of Tk. 10/- Each Tk. 15,15,71,610/-
5	Mr. Ferozur Rahman	Director	"1,64,06,403 Shares of Tk. 10/- Each Tk. 16,40,64,030/-"	1,56,25,146 Shares of Tk. 10/- Each Tk. 15,62,51,460/-
6	Mr. Mohammad Monzurul Alam	Director	"1,58,37,109 Shares of Tk. 10/- Each Tk. 15,83,71,090/-"	1,50,82,962 Shares of Tk. 10/- Each Tk. 15,08,29,620/-
7	Mr. S.A.M Hossain	Director	"2,15,61,574 Shares of Tk. 10/- Each Tk. 21,56,15,740/-"	2,05,34,833 shares of Tk 10/- Each Tk. 20,53,48,330/-
8	Al-Haj Mohammed Shamsul Alam	Director	"2,01,22,978 Shares of Tk. 10/- Each Tk. 20,12,29,780/-"	1,91,64,741 Shares of Tk 10/- Each Tk. 19,16,47,410/-
9	Mr. Gulzar Ahmed	Director	"1,58,52,194 Shares of Tk. 10/- Each Tk. 158521940"	1,50,97,328 Shares of Tk. 10/- Each Tk. 15,09,73,280/-
10	Mr. Md. Zahedul Hoque	Director	"2,64,61,766 Shares of Tk. 10/- Each Tk. 26,46,17,660/-"	1,72,07,493 Shares of Tk. 10/- Each Tk. 17,20,74,930/-
11	Al-Haj Mommad Yousuf Chowdhury	Director	1,58,36,445 Shares of Tk. 10/- Each	1,50,82,330 Shares of Tk. 10/- Each Tk. 15,08,23,300/-
12	Investment Corporation of Bangladesh (ICB) represented by it's Managing Director Mr. Kazi Sanaul Hoq	Director	"3,20,94,619 Shares of Tk. 10/- Each Tk. 32,09,46,190/-"	3,72,99,543 Shares of Tk. 10/- Each Tk. 37,29,95,430/-
13	Mr. Sahazada Syed Nizamuddin Ahmed	Indipendent Director	"2,39,881 Shares of Tk. 10/- Each Tk. 23,98,810/-"	2,28,459 Shares of Tk. 10/- Each Tk. 22,84,590/-
14	Mr. Najmul Huq Chaudhury	Indipendent Director	Nil	Nil
15	Mr. Md. Nazmus Salehin	Indipendent Director	Nil	Nil
16	Mr. Mamun-Ur-Rashid	Ex-Officio Director	Nil	Nil

Standard Bank Limited

Highlights

As at 31 December, 2017

Sl. No.	Particulars	31.12.2017	31.12.2016
1	Paid up capital	7,918,069,970	7,541,019,020
2	Total capital	20,403,689,032	13,772,545,470
3	Capital surplus/(deficit)	5,789,320,327	1,671,647,395
4	Total assets	175,699,112,385	152,789,207,442
5	Total deposits	134,730,686,300	122,553,831,487
6	Total loans and advances	128,228,164,168	105,039,085,020
7	Total contingent liabilities and commitments	41,919,868,600	33,486,606,391
8	Credit deposit ratio	83.89%	82.09%
9	Percentage of classified loans against total loans and advances	7.30%	3.62%
10	Profit after tax and provision	1,238,450,432	1,088,201,035
11	Amount of classified loans during the year	9,364,951,088	3,798,964,355
12	Provisions kept against classified loan	2,190,571,867	1,894,369,740
13	Provision surplus/(deficit)	1	2
14	Cost of fund	8.00%	8.52%
15	Interest earning assets	142,457,246,201	127,971,762,730
16	Non-interest earning assets	33,241,866,184	24,817,444,712
17	Return on investment (ROI)	8.91%	7.05%
18	Return on assets (ROA)	0.75%	0.76%
19	Return on Equity (ROE)	9.24%	8.66%
20	Net Interest Margin (NIM)	2.22%	2.78%
21	Incomes from investment	2,039,086,429	1,891,335,401
22	Earning per share (Taka)	1.56	1.37
23	Price earning ratio (times)	9.97	8.25

ISLAMI BANKING WING FINANCIAL INFORMATION

Standard Bank Limited Islami Banking Wing

Balance Sheet

As at 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
PROPERTY AND ASSETS			
Cash	1	42,888,676	21,157,141
Cash In Hand (Including Foreign Currencies)		465,964	677,203
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)		42,422,712	20,479,938
Balance with other Banks and Financial Institutions	2	229,430,125	273,910,875
In Bangladesh		229,430,125	273,910,875
Outside Bangladesh		-	-
Investments in Shares and Securities	3	5,000,000	17,000,000
Government		5,000,000	17,000,000
Others		-	-
Investments	4	288,975,613	78,702,436
General Investment		288,975,613	78,702,436
Bills Purchased & Discounted		-	-
Fixed Assets Including Premises, Furniture & Fixtures	5	160,463	210,679
Other Assets	6	2,290,813	4,270,020
Non-Banking Assets		-	-
TOTAL ASSETS		568,745,690	395,251,151
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing From Banks & Other Financial Institutions			
Deposits and other Accounts:		344,406,747	302,268,791
Current/Al-Wadeeah Deposits & Other Deposits	7	7,382,512	8,252,610
Bills Payable		588,282	510,124
Savings Bank/Mudaraba Savings Deposits		29,185,151	23,497,815
Short Term Deposits/ Mudaraba Short Term Deposits		11,294,359	13,827,285
Fixed Deposits/ Mudaraba Term Deposits	8	289,388,794	250,914,194
Diposits Under Schemes/ Mudaraba Deposit schemes		6,567,649	5,266,763
OTHER LIABILITIES	9	228,563,784	91,257,995
TOTAL LIABILITIES		572,970,531	393,526,786
Capital / Shareholder's Equity			
Paid Up Capital		-	-
Statutory Reserve		-	-
General Reserve		-	-
Revaluation Reserve on Investment		-	-
Surplus In Profit and Loss Account/Retained Earnings		(4,224,841)	1,724,365
Total Shareholders' Equity			
Total Liabilities and Shareholders' Equity		568,745,690	395,251,151

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
OFF-BALANCE SHEET EXPOSURE			
Contingent Liabilities			
Acceptance and Endorsements			-
Letters of Guarantee		11,168,000	14,607,500
Irrevocable Letter of Credit		-	-
Bills For Collection		-	-
Other Contingent Liabilities		-	-
		11,168,000	14,607,500
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		11,168,000	14,607,500




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, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
Profit on General Investment	10	30,310,968	38,157,308
Profit Paid on Deposits & Borrowings etc.	11	(16,534,839)	18,067,726
Net Profit on Investment		13,776,129	20,089,582
Investment Income	12	111,912	88,642
Commission, Exchange Earnings and Brokerage	13	378,679	250,916
Other Operating Income	14	324,354	329,321
Total Operating Profit(A)		14,591,074	20,758,461
Salaries and Allowances	15	12,064,304	12,571,453
Rent, Taxes, Insurance, Electricity etc	16	386,979	466,701
Legal Expenses		-	-
Postage, Stamp, Telecommunication etc	17	48,392	34,283
Stationary, Printing, Advertisement etc	18	96,874	85,616
Directors' Fee & Other Benefits	19	152,149	150,010
Managing Director's Salary & Allowances		-	-
Audit Fees		-	-
Depreciation And Repair of Bank's Assets	20	1,094,274	464,521
Other Expenses	21	1,616,781	1,461,287
Total Operating Expenses(B)		15,459,753	15,233,871
Profit/(Loss) Before Provision C=(A-B)		(868,679)	5,524,590
Specific Provision		0	558,667
General Provision		3,244,482	903,376
Provision For Diminution In Value of Investments		-	-
Provision For Off-Balance Sheet Items		111,680	146,075
Total Provision(D)		3,356,162	1,608,118
Total Profit/(Loss) Before Taxes(E)=(C-D)		(4,224,841)	3,916,472
Provision for Tax expenses			
Current Tax	22	0	2,192,107
Deferred Tax		-	-
Net Profit/(Loss) after Taxation		(4,224,841)	1,724,365

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 Islami Banking Wing

Selected Notes to the Balance Sheet and Profit & Loss Account

For the year ended 31 December, 2017

		Amount in Taka	
		31.12.2017	31.12.2016
1. Cash			
Cash In hand			
In Local Currency		465,964	677,203
In Foreign Currency		-	-
Sub Total		465,964	677,203
Balance with Bangladesh Bank (including foreign currency)			
In local Currency		42,422,712	20,479,938
In Foreign Currency		-	-
Sub Total		42,422,712	20,479,938
Total		42,888,676	21,157,141
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	22,062,040	19,866,700
	Actual reserve held(average daily on bi-weekly basis)	42,422,711	20,479,938
	Surplus	20,360,671	613,238
b)	Statutory Liquidity Ratio (SLR) for Islamic Banking		
	5.50% of required average Demand and Time Liabilities		
	Required reserve	18,667,880	16,810,280
	Actual reserve held	25,826,635	18,290,441
	Surplus	7,158,755	1,480,161
	Held for Statutory Liquidity Ratio of islamic Banking		
	Cash in hand	465,964	677,203
	Excess cash reserve	20,360,671	613,238
	Government Securities(HTM)	5,000,000	17,000,000
		25,826,635	18,290,441
2	Balance with Other Banks & Financial Institutes		
	Placement as MTDR(Mudaraba Term Deposit)		
	Hajj Finance Company Ltd	214,430,125	258,910,875
	Islamic Finance and Investment Ltd	15,000,000	15,000,000
	Total	229,430,125	273,910,875
3	Investment in Shares & Securities		
	Bangladesh Govt. Islami Investment Bond		
	Tenure(Months)	Maturity Dt.	
	6	01.03.2018	
		5,000,000	5,000,000
			12,000,000
		5,000,000	17,000,000

		Amount in Taka	
		31.12.2017	31.12.2016
4 General Investment			
SME Bai Muajjal	1,474,527	1,078,005	
Bai Muajjal & Bai Muajjal Term	234,056,910	39,870,091	
HPSM(Hire Purchase Under Shirkatul Melk)	45,588,092	24,049,900	
HPSM Staff Investment & Staff Car	1,348,840	4,394,902	
Quard against MTDR/Schemes	6,507,244	9,309,538	
Total	288,975,613	78,702,436	
4.1 Classification of Investments			
Unclassified:	288,975,613	78,033,327	
Standard including staff Investments	288,975,613	77,620,326	
Special Mention Account (SMA)	0	413,001	
Classified:	0	738,571	
Sub standard	-	-	
Doubtful	-	-	
Bad/Loss	0	738,571	
Total	288,975,613	78,771,898	
5 Fixed Assets Including Premises, Furniture & Fixtures			
Furniture & Fixture	160,463	210,679	
Total	160,463	210,679	
6 Other Assets			
Profit Receivable on MTDR With other FI	2,286,713	3,551,370	
Excise Duty Adjustment(MTDR)	4,100	18,650	
Deffered Expenditure	-	700,000	
Total	2,290,813	4,270,020	
7 Current/Al-Wadeah Deposits & other deposits			
Al-Wadiah Current Deposit	3,488,957	3,393,009	
Sundry Deposit(Notes-7.1)	3,893,554	4,859,601	
Total	7,382,511	8,252,610	
7.1 Sundry deposits			
Sundry Creditors	-	795	
Margin on letter of Guarantee	-	200,000	
Profit payable on Mudaraba Deposits	3,886,341	4,326,193	
VAT, Excise duty & Income Tax	7,213	332,613	
Total	3,893,554	4,859,601	
8 Mudaraba Term Deposits			
Client Deposit	289,388,794	250,914,194	
Bank Deposit	-	-	
Total	289,388,794	250,914,194	
9 Other liabilities			
Conventional Settlerment A/C	203,899,372	84,945,572	
Lfc payable	113,400	140,400	
Profit receivable on SME Bai-Muajjal	173,277	107,777	
Profit receivable on Bai-Muajjal	20,659,000	2,138,013	
Compensation Suspense A/c	80,277	110,442	
Accured Expenses	1,000	4,966	
Bai-Murabaha Compensation Realizable A/c	281,296	10,600	
Provision for Tax	-	2,192,107	
Specific Provision	-	558,667	
General Provision	3,244,482	903,376	
Provision for Off-Balance Sheet Items	111,680	146,075	
Total	228,563,784	91,257,995	

		Amount in Taka	
		31.12.2017	31.12.2016
10 Profit received from Investment			
Profit on Investment	7,856,419	10,149,057	
Rent on Investment	3,954,531	3,049,102	
	11,810,950	13,198,159	
Profit received from Other Banks & FIs			
Profit on MTDR with other FIs	18,500,018	24,959,149	
	18,500,018	24,959,149	
Total	30,310,968	38,157,308	
11 Profit paid on Deposits, Borrowing etc			
Profit paid on Mudaraba Savings A/c.	591,314	534,759	
Profit paid on Mudaraba Term Deposits	15,230,862	16,869,140	
Profit paid on Mudaraba Special Notice Deposit	341,789	389,541	
Profit paid on Mudaraba Deposits scheme	370,827	265,130	
Profit paid on Mudaraba Hajj Savings Scheme	47	9,156	
Profit paid on Mudaraba Bond Fund	-	507,397	
Total	16,534,839	18,575,123	
12 Profit on Investment against Islami Bond with other Banks/NBFI			
Profit on Islami Inv. Bond with B.Bank	111,912	88,642	
Total	111,912	88,642	
13 Commission,Exchange Earnings & Brokerage			
Commssion Earned- PO & Remittance etc	4,453	11,310	
Exchange Gain	41,584	17,252	
Handling Commission	172,961	14,000	
LC Advising Commission(Local)	-	-	
Bank Guarantee Commission	159,681	208,354	
Total	378,679	250,916	
14 Other Operating Income			
Account Service Charge	286,847	292,600	
Postage Charges Recoveries	9500	50	
Stationary Charges Recoveries	5320	7175	
Charges on Clearing	6341	21,596	
Miscellaneous Income	16,346	7,900	
Total	324,354	329,321	
15 Salaries & Allowances			
Basic salary	5,588,090	5,787,450	
House Rent Allownce	2,779,795	2,893,725	
Medical Allownce	818,400	888,000	
Conveyance Allownce	438,800	588,000	
House Maintenance & Utility	174,400	150,900	
Leave Fare Compensation	251,960	271,200	
Remuneration For Probationers	220,000	132,500	
Bonus	969,300	1,004,650	
Provident Fund(Bank Contribution)	555,959	578,745	
Casual Wages	267,600	276,283	
Total	12,064,304	12,571,453	
16 Rent, Taxes, Insurance, Electricity etc			
Insurance(on Deposit)	199,657	188,365	
Insurance(Vehicles)	29,322	14,873	
Excise duty on MTDR with other Fin. Inst	132,500	244,500	
Rates & Taxes	25,500	18,963	
Total	386,979	466,701	

17 Postage, Stamp, Telecommunication etc

Postage
Stamp
Telecommunication

Total**18 Stationary, printing, advertisement etc**

Supplies and Stationeries
Publicity & advertisement
Computer Stationary

Total**19 Directors fees & meeting expenses**

Directors fees
Traveling and haltage
Refreshment & dinner

20 Depreciation and repair of Bank's Assets

Depreciation on Furniture & Fixture and Office appliances
Repair on Software & Hardware Maintenance
Repair on Office appliance & equipment
Repair on Motor Vehicle Maintenance

Total**21 Other Expenses**

Local Conveyance
Traveling
Entertainment (office)
Car Expenses
Fuel And Lubricants
Discomfort Allowance
Newspaper and periodicals
Membership Don. To Central Shariah Board
Miscellaneous

Total**22 Provision**

Specific Provision
General provision
Provision for Diminution in value of Investment
Provision for Off-balance sheet

23 Current Tax


Base	Rate	31.12.2017	31.12.2016
Profit on Investment	40%	0	5,435,948
Profit on Islami Bond	20%	0	88,642
Total		0	5,524,590

Amount in Taka	
31.12.2017	31.12.2016
-	273
-	407
48,392	33,603
48,392	34,283
72,876	42,648
-	-
23,998	42,968
96,874	85,616
112,000	88,000
28,199	46,600
11,950	15,410
152,149	150,010
50,976	54,221
1,043,298	252,100
-	-
-	158,200
1,094,274	464,521
13,450	16,395
69,422	16,900
34,829	36,340
619,340	499,992
360,000	360,000
-	20,500
-	-
500,000	500,000
19,740	11,160
1,616,781	1,461,287
-	558,667
3,244,482	903,376
-	-
111,680	146,075
3,356,162	1,608,118
0	2,174,379
0	17,728
0	2,192,107


Managing Director


Director


Director


Chairman


KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Standard Bank Limited

Islamic Banking Wing

Fixed Assets

As at 31 December, 2017

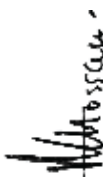
Description	Cost			Depreciation			Written down value at 31st December 2017
	Balance at 1st January 2017	Addition during the year	Adjustment for disposal	Balance at 31st December 2017	Balance at 1st January 2017	Adjustment for disposal	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Furniture & Fixture	543995	0	—	543995	335800	49712	158483
Office Appliances	7178		—	7178	4694	504	1980
Total 31.12.2017	551173	0	—	551173	340494	50216	160463
Total 31.12.2016	551173	0	—	551173	345188	50720	210679



Managing Director



Director



Director



Chairman

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



KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Dated, Dhaka
April, 4, 2018

Standard Bank Limited Islami Banking Wing

MTDRs with other Banks/NBFIs

As at 31 December, 2017

"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	30.12.2017	19,719,250.00	8.50%	30.06.2018
2	Hajj Finance Company Limited, Principal Branch, Dhaka	0064	22.05.2011	22.11.2017	20,000,000.00	8.50%	22.05.2018
3	Hajj Finance Company Limited, Principal Branch, Dhaka	00841	29.10.2014	29.10.2017	30,000,000.00	8.50%	29.04.2018
4	Hajj Finance Company Limited, Principal Branch, Dhaka	00842	29.10.2014	29.10.2017	16,000,000.00	8.50%	29.04.2018
5	Hajj Finance Company Limited, Principal Branch, Dhaka	00862	08.12.2014	08.12.2017	51,897,500.00	8.50%	08.06.2018
6	Hajj Finance Company Limited, Principal Branch, Dhaka	00864	09.12.2014	09.12.2017	15,566,250.00	8.50%	09.06.2018
7	Hajj Finance Company Limited, Principal Branch, Dhaka	01083	01.11.2015	01.11.2017	9,000,000.00	8.50%	01.05.2018
8	Hajj Finance Company Limited, Principal Branch, Dhaka	01224	13.12.2015	13.12.2017	6,747,125.00	8.50%	13.06.2018
9	Hajj Finance Company Limited, Principal Branch, Dhaka	01620	17.11.2016	17.11.2017	33,000,000.00	8.50%	17.05.2018
10	Hajj Finance Company Limited, Principal Branch, Dhaka	01642	27.11.2016	27.11.2017	4,500,000.00	8.50%	27.05.2018
11	Hajj Finance Company Limited, Principal Branch, Dhaka	01787	20.06.2017	20.12.2017	8,000,000.00	8.50%	20.06.2018
Sub Total					214,430,125.00		
1	Islamic Finance & Investment Limited, Principal Br, Dhaka	4975/314/13	13.11.2013	13.11.2017	5,000,000.00	8.00%	13.05.2018
2	Islamic Finance & Investment Limited, Principal Br, Dhaka	9387/462/16	13.07.2016	13.07.2017	10,000,000.00	7.50%	13.01.2018
Sub Total					15,000,000.00		
Grand Total (16 MTDRs)					229,430,125.00		



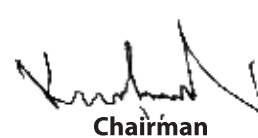
Managing Director



Director



Director



Chairman

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



SHAFIQ BASAK & CO.
Chartered Accountants

Dated, Dhaka
April 4, 2018

OFF-SHORE BANKING UNIT

Standard Bank Limited (Off-shore Banking Unit)

Statement of Financial Position

As on 31 December, 2017

Particulars	Notes	31.12.2017	
		USD	BDT
PROPERTY AND ASSETS			
Cash		-	-
Cash In Hand (Including Foreign Currencies)		-	-
Balance with Bangladesh Bank and its agent Bank(s) (including foreign correncies)		-	-
Balance with other Banks and Financial Institutions		459,871	37,801,378
In Bangladesh			
Outside Bangladesh	1	459,871	37,801,378
Investments in Shares and Securities		-	-
Government		-	-
Others		-	-
Investments		27,900,778	2,293,443,929
General Investment	2	4,723,221	388,248,757
Bills Purchased & Discounted	2.1	2,317,757	1,905,195,172
Fixed Assets Including Premises, Furniture & Fixtures		5,250	431,550
Other Assets		5,250	431,550
Non-Banking Assets		-	-
TOTAL ASSETS		28,365,899	2,331,676,858
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing From Banks & Other Financial Institutions		28,365,899	2,331,676,858
Borrowing from SBL	3	3,309,721	270,300,946
Borrowing from FI Bank	3.1	25,056,177	2,061,375,912
Deposits and other Accounts:		-	-
Current Deposits & Other Deposits		-	-
Bills Payable		-	-
Savings Deposits		-	-
Short Term Deposits		-	-
Fixed Deposits		-	-
Diposits Under Schemes		-	-
OTHER LIABILITIES		-	-
TOTAL LIABILITIES		28,365,899	2,331,676,858
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		28,365,899	2,331,676,858

Standard Bank Limited (Off-shore Banking Unit)

Statement of Financial Position

As on 31 December, 2017

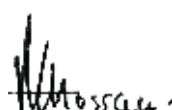
Particulars	Notes	31.12.2017	
		USD	BDT
OFF-BALANCE SHEET EXPOSURE			
Contingent Liabilities			
Acceptance And Endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letter of Credit		-	-
Bills For Collection		-	-
Other Contingent Liabilities		-	-
TOTAL			
Other Comments			
Documentary Credits And Short 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, 2017

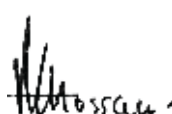
Particulars	Notes	31.12.2017	
		USD	BDT
Profit on Investment	5	1,339,550	108,402,861
Profit Paid on Deposits & Borrowings etc.	6	794,497	64,294,554
Net Profit on Investment		545,053	44,108,307
Investment Income			
Commission, Exchange Earnings And Brokerage	7	21,623	1,749,838
Other Operating Income		-	-
Total Operating Profit(A)		566,676	45,858,145
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	8	8,052	651,600
Total Operating Expenses(B)		8,052	651,600
Profit/(Loss) Before Provision C=(A-B)		558,624	45,206,545
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		558,624	45,206,545
Current Tax		-	-
Deferred Tax		-	-
Net Profit/(Loss) after Taxation		558,624	45,206,545



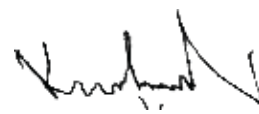
Managing Director



Director



Director



Chairman

Standard Bank Limited (Off-shore Banking Unit)

Statement of Financial Position

As on 31 December, 2017

Sl. No.	Note	2017	2016
1	Balance with Nostro Account (Habib American NY)	BDT 37,801,378.12	BDT 10,461,639.00
2	Term Loan	BDT 388,248,757.16	BDT 122,630,379.00
2.1	Foreign Bills Purchased & Discounted	BDT 1,517,878,415.95	BDT 1,255,473,598.00
2.2	Local Bills Purchased & Discounted	BDT 387,316,756.30	BDT 373,257,762.00
3	Advance Fee paid to SCB	BDT 431,550.00	-
4	Borrowing from SBL	BDT 270,300,946.00	BDT 957,728,265.00
4.1	Borrowing from Bank Muscat	BDT 329,803,868.54	-
4.2	ICICI Bank Ltd	BDT 499,831,579.02	BDT 804,095,112.00
4.3	Standard Chartered Bank Ltd	BDT 1,072,546,561.99	-
4.4	United Bank Ltd	BDT 159,193,902.45	-
5	Profit on Loan	BDT 108,402,861.00	BDT 99,499,812.78
5.1	Interest on Term Loan	BDT 14,032,261.80	BDT 2,441,796.79
5.2	Interest on Foreign Bills Purchased	BDT 79,008,982.33	BDT 92,059,274.07
5.3	Interest on Local Bills Purchased	BDT 15,042,780.83	BDT 4,994,688.51
5.4	Interest on Nostro Balance	BDT 318,835.79	BDT 4,053.41
6	Profit Paid on Deposit & Borrowings etc.	BDT 64,294,554.00	BDT 62,876,712.95
6.1	Intt. Paid on Borrowing fund from SBL	BDT 16,377,963.63	BDT 42,081,161.81
6.2	Intt. Paid on Borrowing fund from ICICI Bank	BDT 4,627,643.42	BDT 20,795,551.14
6.3	Intt. Paid on Borrowing fund from Mashreq	BDT 6,346,690.22	-
6.4	Intt. Paid on Borrowing fund from SCB	BDT 2,105,881.19	-
6.5	Intt. Paid on Borrowing fund from other FI Banks (UBL & Muscat)	BDT 34,836,375.53	-
7	Commission, Exchange Earnings and Brokerage	BDT 1,749,837.88	BDT 2,788,984.20
7.1	Charge Earned by Swift	BDT 348,219.60	BDT 310,026.60
7.2	Rebate Received from Nostro	BDT 1,401,618.28	BDT 2,478,957.61
8	Other Expenses	BDT 651,599.55	-
8.1	Nostro Account Maintenance Charge Paid to Habib American NY	BDT 91,404.61	BDT 43,146.41
8.2	Software Maintenance Charge	BDT 560,194.94	-



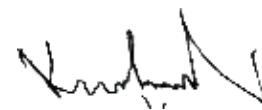
Managing Director



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 Limited which comprises the Statement of Financial Position as at 31st December, 2017 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 present fairly, in all material respects, the financial position of the Standard Bank Securities Limited as on 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), and comply with the Companies Act 1994 and Securities and Exchange Rules 1987.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- 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.
- the statement of financial Position and statement of Profit or Loss and Other comprehensive income dealt with the report are in agreement with the books of account and returns; and
- the expenditure incurred and payments made during the year were for the purposes of the company's business.

Dhaka,
March 11, 2018


SHAFIQ BASAK & CO.
Chartered Accountants

Standard Bank Securities Ltd.

Statement of Financial Position

As at 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
ASSETS:			
Non-Current Assets:		325,344,995	326,327,820
Property, plant and equipment	4.00	5,144,995	6,127,820
Investment in Stock Exchange	5.00	320,200,000	320,200,000
Current Assets:		1,157,112,006	626,745,659
Advances, deposits and prepayments	6.00	1,943,490	2,528,990
Advance income tax	7.00	46,149,385	35,431,070
Receivable from DSE	8.00	21,813,103	4,655,449
Other receivable	9.00	1,175,000	4,285,165
Margin loan to clients	10.00	273,584,767	159,050,818
Investment in shares	11.00	557,005,626	270,168,999
Cash and cash equivalents	12.00	255,440,635	150,625,168
Total Assets:		1,482,457,001	953,073,479
EQUITY & LIABILITIES:			
Shareholders' Equity:		872,930,246	837,260,799
Share capital	13.00	800,000,000	800,000,000
Retained earnings	14.00	72,930,246	37,260,799
Current Liabilities:		609,526,755	115,812,680
Payable to clients	15.00	250,679,374	43,005,943
Payable to DSE	16.00	2,590,473	9,651,666
Short term loan	17.00	270,372,525	-
Provision for expenses	18.00	322,751	240,828
Provision for diminution in value of Investment	19.00	23,507,000	17,266,747
Provision for Clients' margin loan	20.00	1,470,142	1,444,402
Provision for income Tax	21.00	60,584,490	44,203,094
Total Equity and Liabilities		1,482,457,001	953,073,479
Net Asset Value (NAV) Per Share		10.91	10.47

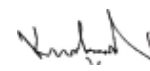
The accompanying notes (1-28) form an integral part of these financial statements.



Chief Executive Officer (Acting)



Director



Chairman

Subject to our separate report of even date

Dhaka: March 11, 2018


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd.

Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
A. Operating Income:		122,736,330	66,120,281
Brokerage commission		39,216,423	10,256,042
Income from Investment	22.00	47,178,454	27,581,696
Interest income	23.00	36,100,456	28,120,758
Other operating income	24.00	240,997	161,785
B. Less: Operating Expenses:		24,248,646	15,303,149
Direct Expenses	25.00	5,499,998	1,300,969
Administrative Expenses	26.00	13,225,586	13,826,062
Financial Expenses	27.00	5,523,062	176,118
C. Total Profit before Provision (A-B):		98,487,684	50,817,132
D. Provisions:		6,265,993	4,082,853
Provision for diminution in value of Investment	19.00	6,240,253	4,082,853
Provision for clients margin loan	20.00	25,740	-
E. Total Profit before Taxation (C-D):		92,221,691	46,734,279
Less: Provision for taxation	21.00	24,552,244	13,220,198
F. Net Profit after Tax (Transferred to retained earning)	14.00	67,669,447	33,514,081
G. Earnings Per Share (EPS):	28.00	0.85	0.42

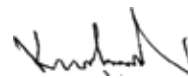
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Chief Executive Officer (Acting)



Director



Chairman

Subject to our separate report of even date

Dhaka: March 11, 2018



SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd.

Statement of Changes in Shareholder's Equity

For the Year ended 31 December, 2017

Particulars	Share capital	Retained earnings	Total BDT
Balance at 01.01.2017	800,000,000	37,260,799	837,260,799
Declaration of Dividend for the year 2016	-	(32,000,000)	(32,000,000)
	800,000,000	5,260,799	805,260,799
Net profit for the year	-	67,669,447	67,669,447
Balance at 31.12.2017	800,000,000	72,930,246	872,930,246

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

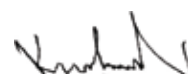
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Chief Executive Officer (Acting)



Director



Chairman

Subject to our separate report of even date

Dhaka: March 11, 2018



SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd.

Statement of Cash Flows

For the Year ended 31 December, 2017

Particulars	Amount in Taka	
	31.12.2017	31.12.2016
A. Cash Flow from Operating Activities		
Brokerage commission	39,216,423	10,256,042
Other operating income	240,997	161,785
Operating expenses	(23,249,896)	(14,272,351)
Interest income on bank deposits	4,814,601	8,653,200
Interest income on margin loan	31,285,855	19,467,558
Capital gain on investment in securities	33,666,777	9,535,437
Dividend on investment in securities	13,511,677	18,046,259
Advance income tax	(18,889,163)	(10,735,516)
Advances, deposits and prepayments	585,500	1,088,000
Operating assets	(14,047,489)	(1,762,030)
Operating liabilities	200,694,161	44,467,082
Net Cash flow from / (used in) Operating Activities	267,829,443	84,905,466
B. Cash Flow from Investing Activities		
Investment in Securities	(286,836,627)	(65,104,540)
Investment in Margin Loan	(114,533,949)	(44,219,323)
Acquisition of property, plant and equipment	(15,925)	(1,233,200)
Net Cash flow from Investing Activities	(401,386,501)	(110,557,063)
C. Cash Flow from Financing Activities:		
Share Capital	-	-
Short Term Loan	270,372,525	(50,549,627)
Dividend Paid	(32,000,000)	(32,000,000)
Net Cash flow from Financing Activities	238,372,525	(82,549,627)
D. Net Cash Inflow/(Outflow) in Cash and Cash Equivalents (A+B+C)	104,815,467	(108,201,224)
E. Cash and Cash equivalents at beginning of the year	150,625,168	258,826,392
F. Cash and Cash Equivalents at end of the year (D+E)	255,440,635	150,625,168
G. Closing cash and bank balances		
Cash and cash equivalents	255,440,635	150,625,168
H. Net Operating Cash Flow (NOCF) Per Share	3.35	1.06

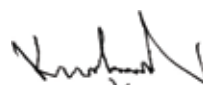
The accompanying notes (1-28) form an integral part of these financial statements.



Chief Executive Officer (Acting)



Director



Chairman

Subject to our separate report of even date



Dhaka: March 11, 2018

SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Standard Bank Securities Ltd.

Notes to the Financial statements

For the Year ended 31 December, 2017

1.00 THE COMPANY AND ITS ACTIVITIES:

Standard Bank Securities Limited (DSE TREC NO. 156) a subsidiary company of Standard Bank Limited was incorporated as a public limited company in Bangladesh and registered with the Register of Joint Stock Companies on 22 November 2012 under the Companies Act 1994 bearing certificate of Commence of Business no. C-105752/12 having its Head Office at 2. DIT Avenue, (Extn.), 1st Floor, Motijheel Commercial Area, Dhaka 1000.

2.00 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 are to act as a TREC Holder 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: Recognition and measurement:

Items of fixed assets are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any.

“Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the When parts of an item of fixed asset have different useful lives, they are accounted for as separate items location and condition necessary for it to be capable of operating in the intended manner. The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from Property, Plant and Equipment are recognized as assets in accordance with Bangladesh Accounting Standards (BAS) 16 “Property Plant and Equipment”

Subsequent costs:

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

Changes in Depreciation Method:

Depreciation method has been changed from reducing method to straight line method during the year for accounting policy alignment in accordance with the method followed by parent company (Standard Bank Limited) which is to be treated as “Changes in Accounting Estimates” and prospective accounting has been done for changes in accordance with BAS 8.

Depreciation:

"Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Company. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Category of Assets:	Rate of Depreciation	"Method of charging depreciation/ amortization"
Office equipment	20%	Straight Line Method
Office renovation & Decoration	10%	Straight Line Method
Furniture & Fixture	10%	Straight Line Method
Computer & Server	20%	Straight Line Method
Software	20%	Straight Line Method

3.04 Reporting Period:

These financial statements covers from 1st January 2017 to 31st December 2017 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:**3.6.1 Investment in DSE Shares:**

In accordance with section 8(Gha) of the Exchanges Demutualization Act, 2013, Dhaka Stock exchange membership has been converted into shares through the issuance of "Trading Right Entitlement Certificate (TREC)" by the DSE. Currently fair value of Trading Right Entitlement Certificate is not ascertainable with reasonableness due to the stock exchange not issuing any TREC other than existing members. Accordingly, investment is measured at cost which is considered as fair value.

3.6.2 Investment in quoted securities:

Investment in Shares have been recognized at cost valued on aggregate basis and Stock dividend (Bonus Shares) are added with existing shares with at zero cost which results decrease in per unit cost price of the existing shares. Adequate provision has been made as per BSEC guidelines if market value goes down.

3.07 Advance, Deposits and Prepayments:

Advance are initially measured at cost. After initial recognition advance are carried at cost less deduction, adjustments or charges to the account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

3.08 Accounting for provisions:

The company recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

3.09 Provision for Taxation:

Current tax has been made as per the Income Tax Ordinance 1984, latest finance act, relevant SROs etc. Income tax withheld from the transactions of traded securities in accordance with section 53BBB @ 0.05% is the final tax liability of the company under section 82C of Income Tax Ordinance (ITO) 1984.

3.10 Revenue recognition:

Revenue comprises of brokerage commission, Interest on margin loan, Interest on deposit & other income. Details of revenue recognition policy are given below:

- 1) Brokerage commission is recognized as income when selling or buying orders are executed.
- 2) Interest on margin loan recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respectable clients. Income is recognized on monthly but realized quarterly.
- 3) Capital gains/ (loss) are recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and is realized or loss 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	
31.12.2017	31.12.2016

4.00 PROPERTY, PLANT & EQUIPMENT:

This is made up as follows:

Opening balance	10,011,180	8,777,980
Add : Additions during the year	99,500	1,233,200
Less: Disposal	(126,000)	-
Closing balance (A)	9,984,680	10,011,180

Depreciation :

Opening balance	3,883,360	2,852,562
Add: Charges during the year	998,750	1,030,798
Less: Adjustment	(42,425)	-
Closing balance (B)	4,839,685	3,883,360
Written down value (A-B)	5,144,995	6,127,820

The details of the above balance have been Shown in (Annexure-1) .

5.00 INVESTMENT IN STOCK EXCHANGE:

This is as follows:

Dhaka Stock Exchange Ltd.

320,200,000	320,200,000
--------------------	--------------------

Note :

*As per Scheme of Demutualization of DSE in accordance with the Exchange Demutualization Act 2013 (the scheme), the Company being the initial shareholders of DSE and Allotted 72,15,106 number of ordinary shares (of which 43,29,064 shares blocked with DSE Demutualization Block Accounts) as well as "Trading Right Entitlement Certificate (TREC)". No transactions of shares as well as "TREC" have been started and hence cost price is considered as fair value. In future if the above shares as well as TREC becomes tradable, the fair value would be determined that time and necessary adjustments, if any shall be made.

6.00 ADVANCES, DEPOSITS AND PREPAYMENTS:

This is made up as follows:

A. Advance:

	1,736,000	2,324,000
Office Rent (Head Office)	686,000	1,274,000
Office Space at DSE Tower, Nikunja	1,050,000	1,050,000

B. Deposits:

	207,490	204,990
Central Depository Bangladesh Ltd (CDBL)	200,000	200,000
BTCL	4,990	4,990
Duncan Products Ltd.	2,500	-
Total (A+B) :	1,943,490	2,528,990

7.00 ADVANCE INCOME TAX:

This is made up as follows:

Opening balance	35,431,070	44,373,525
Add: Advance paid During the year (Note 07.01)	10,718,315	8,627,044
	46,149,385	53,000,569
Less : Adjustment for Assessment year 2013-14	-	17,569,499
Total:	46,149,385	35,431,070

07.01 Advance income tax paid during the year

This is made up as follows:

AIT on Interest Income	575,190	1,165,944
Advance Corporate Tax	7,000,000	3,923,748
AIT on Dividend	3,143,125	3,537,352
Total:	10,718,315	8,627,044

8.00 RECEIVABLE FROM DSE:

This is made up as follows:

Stock Broker

Stock Dealer

Total:

Amount in Taka	
31.12.2017	31.12.2016
21,813,103	4,627,820
-	27,629
21,813,103	4,655,449

9.00 OTHER RECEIVABLE:

This is made up as follows:

Accrued interest on FDR

Dividend on Investment in shares

Total:

-	906,165
1,175,000	3,379,000
1,175,000	4,285,165

10.00 MARGIN LOAN TO CLIENTS:

This is made up as follows:

Portfolio Margin Loan to Clients

Total:

273,584,767	159,050,818
273,584,767	159,050,818

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**)

557,005,626	270,168,999
--------------------	--------------------

11.01 This represents investment in quoted securities at a cost value. Details of investment in quoted securities as of 31 December 2017 are as under :

Sl. No.	Name of Securities	No.of Shares	Cost Value	Market Price	Un-realized Gain/(Loss)
1	ABBANK	725,000	16,576,691.97	16,022,500.00	(554,191.97)
2	ACTIVEFINE	125,000	4,843,177.10	4,400,000.00	(443,177.10)
3	ALARABANK	550,000	13,151,263.33	13,255,000.00	103,736.67
4	APEXTANRY	15,000	2,242,963.38	2,229,000.00	(13,963.38)
5	APOLOISPAT	425,000	7,711,441.77	7,012,500.00	(698,941.77)
6	BANKASIA	600,000	13,075,702.06	13,860,000.00	784,297.94
7	BBS	200,000	8,898,694.32	7,640,000.00	(1,258,694.32)
8	BSC	150,000	7,584,640.51	7,005,000.00	(579,640.51)
9	DELTA LIFE	125,000	17,499,890.36	13,450,000.00	(4,049,890.36)
10	DESCO	100,000	4,806,095.87	4,540,000.00	(266,095.87)
11	DHAKABANK	800,000	18,839,838.83	17,600,000.00	(1,239,838.83)
12	EXIMBANK	500,000	8,928,008.14	8,600,000.00	(328,008.14)
13	FAREASTFIN	300,000	4,088,160.00	3,360,000.00	(728,160.00)
14	FIRSTSBANK	200,000	3,116,270.38	3,060,000.00	(56,270.38)
15	GQBALLPEN	152,020	15,786,459.15	13,681,800.00	(2,104,659.15)
16	HEIDELBCEM	10,000	5,609,165.14	4,249,000.00	(1,360,165.14)
17	ICB	31,500	5,575,210.13	5,040,000.00	(535,210.13)
18	IFIC	300,000	5,488,465.54	5,400,000.00	(88,465.54)
19	JAMUNABANK	1,000,000	22,627,770.34	22,000,000.00	(627,770.34)
20	JAMUNAOIL	80,000	15,706,329.59	15,176,000.00	(530,329.59)
21	LAFSURCEML	900,000	87,514,661.95	62,910,000.00	(24,604,661.95)
22	MJLBD	100,000	12,068,570.78	10,910,000.00	(1,158,570.78)
23	MPETROLEUM	100,000	19,515,733.39	18,890,000.00	(625,733.39)
24	NAHEEACP	6,847	62,246.45	502,569.80	440,323.35

Sl. No.	Name of Securities	No. of Shares	Cost Value	Market Price	Un-realized Gain/(Loss)
25	NAVANACNG	100,000	7,162,408.96	6,710,000.00	(452,408.96)
26	NBL	1,300,000	17,134,259.46	16,900,000.00	(234,259.46)
27	NCCBANK	700,000	12,526,093.80	12,390,000.00	(136,093.80)
28	OIMEX	7,128	64,800.00	464,745.60	399,945.60
29	ONEBANKLTD	275,000	6,704,345.86	6,600,000.00	(104,345.86)
30	PDL	350,000	7,537,424.59	6,860,000.00	(677,424.59)
31	POWERGRID	50,000	2,690,378.95	2,610,000.00	(80,378.95)
32	PREMIERBAN	300,000	5,137,265.74	4,710,000.00	(427,265.74)
33	PRIMEBANK	525,000	13,877,952.81	14,385,000.00	507,047.19
34	RSRMSTEEL	150,000	10,998,058.68	9,270,000.00	(1,728,058.68)
35	RUPALIBANK	130,000	8,330,062.20	8,606,000.00	275,937.80
36	SAIFPOWER	350,000	12,467,706.37	11,620,000.00	(847,706.37)
37	SIBL	300,000	7,620,232.70	7,290,000.00	(330,232.70)
38	SOUTHEASTB	500,000	11,201,932.28	11,100,000.00	(101,932.28)
39	SUMITPOWER	500,000	20,156,355.40	17,950,000.00	(2,206,355.40)
40	TITASGAS	500,000	25,624,413.56	22,100,000.00	(3,524,413.56)
41	UCB	300,000	7,373,212.45	7,080,000.00	(293,212.45)
42	UPGDCL	200,000	33,626,825.21	36,220,000.00	2,593,174.79
43	UTTARABANK	320,000	12,407,522.22	11,296,000.00	(1,111,522.22)
44	WMSHIPYARD	425,000	11,879,499.52	12,452,500.00	573,000.48
45	ZAHEENSPIN	50,000	1,167,424.56	1,130,000.00	(37,424.56)
Total :			557,005,626	508,537,615	(48,468,010.45)

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:****12.01 Investment in FDR with Standard Bank Ltd:**

This is made up as follows:

Sl. No.	FDR No.	A/c. No.
1	158844	255031807
2	158937	255031900
3	158938	255031901

Total**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

Amount in Taka	
31.12.2017	31.12.2016

-	-
-	82,720,609
255,440,635	67,904,559
255,440,635	150,625,168

-	20,963,831
-	30,944,824
-	30,811,954
-	82,720,609

778,996	5,797,914
2,333,321	2,101,055
248,405,536	52,865,703
3,762,021	578,897
160,761	6,560,990
255,440,635	67,904,559

13.00 SHARE CAPITAL:**13.1 Authorized Capital**

200,000,000 ordinary shares of Taka 10 each

Amount in Taka	
31.12.2017	31.12.2016

2,000,000,0002,000,000,000**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:800,000,000800,000,000

Sl. No.	Name of shareholder	No.of Shares	Total Taka	% of Share Holding
1	Mr. Kazi Akramuddin Ahmed	500	5,000	0.0006
2	Standard Bank Limited (Rep: Mr. Mamun Ur Rashid)	79,994,000	799,940,000	99.9928
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. Kazi Sanaul Hoq)	500	5,000	0.0006
Total:		80,000,000	800,000,000	100.0000

14.00 RETAINED EARNINGS:

This is made up as follows:

Opening balance

Less: Issuance of Dividend

Add: Net profit for the year

Closing Balance:

37,260,799	35,746,718
32,000,000	32,000,000
5,260,799	3,746,718
67,669,447	33,514,081
72,930,246	37,260,799

15.00 PAYABLE TO CLIENTS:

This is made up as follows:

Other Clients

SBL Capital Management Ltd.

IPO Application Account

Total:

241,637,339	34,265,068
9,042,035	7,235,875
-	1,505,000
250,679,374	43,005,943

Note:

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

Stock Dealer

Total:

461,123	9,651,666
2,129,350	-
2,590,473	9,651,666

Amount in Taka	
31.12.2017	31.12.2016

17.00 SHORT TERM LOAN:

This is made up as follows:

Opening Balance

Add: Addition during the year

Less: Refund during the year

Closing Balance

-	50,549,627
310,372,525	-
310,372,525	50,549,627
40,000,000	50,549,627
270,372,525	-

Note:

The above loan was taken from Standard Bank Limited, Principal Branch at an Interest rate of 8.50% per annum Vide reference No. SBL/PB/CR/2017/1571, dated November 16, 2017

18.00 PROVISION FOR EXPENSES:

CDBL charges

Electricity Bill

WASA Bill

Lift Charge

Audit fee

LFC Payable

VAT Payable

TDS Payable

Link3 Technologies Ltd.

Metronet BD Ltd.

Amber IT Ltd.

Total:

102,961	20,371
10,956	-
6,484	-
2,500	-
50,000	50,000
123,000	153,194
8,250	7,500
500	-
11,500	4,313
2,000	2,000
4,600	3,450
322,751	240,828

19.00 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT:

This is made up as follows:

Opening balance

Add: Provision made during year*

Total:

17,266,747	13,183,894
6,240,253	4,082,853
23,507,000	17,266,747

Note :**This represents diminution in Value of Investment as on 31 Dec, 2017 are shown below:**

Total diminution in Value of Investment: (Note 11.01)

Less: Provision maintained:

Total provision required/ shortfall

48,468,010
17,266,747
31,201,263

*As per Directives of Bangladesh Securities and Exchange Commission dated 28 December 2017 (Circular # SEC/CMRRCD/2009-193/203, Against the required shortfall, 20% provisions of Tk. 62,40,253/- has been made for the year 2017 and remaining amount can be kept on each quarter of 2018

20.00 PROVISION FOR CLIENTS MARGIN LOAN:

This is made up as follows:

Opening balance

Add: Provision made during year

Total:

1,444,402	1,444,402
25,740	-
1,470,142	1,444,402

100% provision has been made negative equity of margin loan account.

		Amount in Taka	
		31.12.2017	31.12.2016
21.00 PROVISION FOR INCOME TAX :			
This is made up as follows:			
Opening balance		44,203,094	50,660,867
Add: Provision made during the year		24,552,244	13,220,198
		68,755,338	63,881,065
Less: Tax Deducted at Source on Turnover U/S 82C	Note: 21.01	8,170,848	2,108,472
		60,584,490	61,772,593
Less: Adjustment of Assessment year 2013-2014		-	17,569,499
Total:		60,584,490	44,203,094
21.01	Tax deducted at source amounting to Tk. 81,70,848/- 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		33,666,777	9,535,437
Dividend on investment in securities		13,511,677	18,046,259
Total:		47,178,454	27,581,696
23.00 INTEREST INCOME:			
This is made up as follows:			
Interest on bank deposit (Note- 23.01)		4,814,601	8,653,200
Interest income on margin loan		31,285,855	19,467,558
Total:		36,100,456	28,120,758
23.01 INTEREST ON BANK DEPOSIT:			
This is made up as follows:			
SND account on Standard Bank Limited		186,221	225,017
SND account on Al Arafah Islami Bank Ltd.		3,852,754	2,410,525
FDR with Standard Bank Limited		775,626	6,017,658
Total:		4,814,601	8,653,200
24.00 OTHER OPERATING INCOME			
This is made up as follows:			
BO account fee		66,219	33,900
Yearly BO maintenance fee		126,228	101,050
IPO Application fee		19,035	26,835
Profit on Assets		29,515	-
Total:		240,997	161,785
25.00 DIRECT EXPENSES:			
This is made up as follows:			
Laga charges		4,082,977	1,046,921
Hawla charges		1,250	400
CDBL charges		1,415,771	253,648
Total:		5,499,998	1,300,969

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.

Amount in Taka	
31.12.2017	31.12.2016

26.00 ADMINISTRATIVE EXPENSES:

This is made up as follows:

Salary and Allowances (Note:26.01)	7,573,700	7,758,298
Rent, Taxes, Insurance, Electricity etc. (Note:26.02)	1,898,483	1,826,175
Board Meeting Expenses (Note:26.03)	748,029	1,005,651
Stationery, Printing, Advertisements etc. (Note:26.04)	183,519	135,910
Audit & Consultancy fees (Note:26.05)	201,250	219,650
Postage, Stamp, Telecommunication etc. (Note:26.06)	230,490	304,088
Repair and Maintenance (Note:26.07)	85,192	37,680
Registration & Renewal fees (Note:26.08)	170,610	226,450
Depreciation on Fixed Assets (Note:26.09)	998,750	1,030,798
Other Operating Expenses (Note:26.10)	1,135,563	1,281,362

Total:

13,225,586

13,826,062

26.01 SALARIES AND ALLOWANCES:

This is made up as follows:

Basic salary	3,609,750	3,655,374
House rent allowance	1,804,875	1,827,688
Conveyance allowance	256,500	195,064
Medical allowance	371,100	447,322
House maintenance	42,000	88,200
Leave fare compensation (LFC)	123,000	147,155
Washing allowance	-	1,000
Company's contribution to provident fund	360,975	365,537
Casual wages	372,600	412,258
Festival bonus	632,900	618,700

Total:

7,573,700

7,758,298

26.02 RENT, TAXES, INSURANCE, ELECTRICITY ETC:

This is made up as follows:

Office Rent	1,487,640	1,433,936
Sharing of Infrastructure charge	120,000	120,000
WASA charge	36,272	30,050
Lift charge	30,000	30,000
Electricity bill	198,172	148,201
Insurance Premium of Motor Vehicle	26,399	63,988

Total:

1,898,483

1,826,175

26.03 BOARD MEETING EXPENSES:

This is made up as follows:

Director's Honorarium	377,200	386,400
Director's Traveling Expenses	203,903	348,748
Lunch & Refreshment and Misc. exp.	166,926	270,503

Total:

748,029

1,005,651

		Amount in Taka	
		31.12.2017	31.12.2016
26.04 STATIONERY, PRINTING, ADVERTISEMENTS ETC:			
This is made up as follows:			
Printing and stationery	150,534	78,325	
Computer accessories	13,255	35,365	
Advertisement & publicity	18,400	19,320	
Cutleries & Cookeries	1,330	2,900	
Total:	183,519	135,910	
26.05 AUDIT & CONSULTANCY FEES:			
This is made up as follows:			
Audit fees	57,500	57,500	
Legal & Professional fees	143,750	162,150	
Total:	201,250	219,650	
26.06 POSTAGE, STAMPS, TELECOMMUNICATION ETC :			
This is made up as follows:			
Wan Connectivity charges	122,038	193,113	
Telephone, fax, Mobile and dish expenses	91,182	94,300	
Wimax charge	12,000	12,000	
Stamp charges	1,525	2,595	
Postage & courier	3,745	2,080	
Total:	230,490	304,088	
26.07 REPAIR AND MAINTENANCE:			
This is made up as follows:			
Cleaning expenses	25,200	24,300	
Office maintenance	59,992	13,380	
Total:	85,192	37,680	
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	24,710	34,500	
DP Registration Renewal fee	7,900	4,000	
TC Reg. Renewal fee	55,000	40,000	
Authorized Reg. Renewal fee	-	22,950	
TREC Reg. Renewal fee	50,000	50,000	
DBA Annual Membership fee	-	25,000	
Bidding & EII Reg. fees	13,000	30,000	
Total:	170,610	226,450	
26.09 DEPRECIATION ON FIXED ASSETS:			
This is made up as follows:			
Furniture & Fixture	56,048	62,282	
Office equipment	115,584	147,752	
Office renovation & decoration	164,802	183,114	
Computer & Server	492,377	588,507	
Software	169,939	49,143	
Total:	998,750	1,030,798	

Amount in Taka	
31.12.2017	31.12.2016

26.10 OTHER OPERATING EXPENSES:

This is made up as follows:

Traveling & Conveyance

DSE charges

Petrol, Oil & Lubricant's

Car Expenses

TWS Set up fees

Newspaper & Periodicals

42,676	20,072
53,297	38,343
180,000	305,325
285,996	595,517
5,000	-
4,966	7,039

Entertainment

Uniform and liveries

Write off of asset

RJSC Expenses

Training & Seminar Expenses

Annual Maintenance fee for software

Business development Expenses

Security Service

Total:

133,125	103,506
10,080	3,913
13,090	-
22,390	33,465
36,180	27,611
117,563	29,391
38,000	20,580
193,200	96,600
1,135,563	1,281,362

27.00 FINANCIAL EXPENSES:

This is made up as follows:

Bank Charges

Interest Expenses on Short Term Loan

Total:

150,769	133,948
5,372,293	42,170
5,523,062	176,118

28.00 EARNING PER SHARE (EPS):

This is made up as follows:

Net profit after tax

Number of Ordinary Share

Earnings Per Share

67,669,447	33,514,081
80,000,000	80,000,000
0.85	0.42

Standard Bank Securities Ltd.

Schedule of Property, Plant & Equipments

As at 31 December, 2017

"Annexure -1"

Description	COST			Rate (%)	DEPRECIATION			Net book value at 31.12.2017
	Balance at 01.01.2017	Additions	Sale/ Disposal		Balance at 01.01.2017	Charge for the Year	Adjustment	
Furniture & Fixture	763,185	90,000	(100,000)	10	185,980	56,048	(29,515)	212,513
Office equipment	1,125,963	-	(26,000)	20	534,954	115,584	(12,910)	637,628
Office renovation & Decoration	2,337,615	-	-	10	689,592	164,802	-	854,394
Computer & Server	4,854,367	9,500	-	20	2,392,481	492,377	-	2,884,858
Software	930,050	-	-	20	80,353	169,939	-	250,292
Total Balance as on 31.12.2017	10,011,180	99,500	(126,000)		3,883,360	998,750	(42,425)	4,839,685
Total Balance as on 31.12.2016	8,777,980	1,233,200			2,852,562	1,030,798		3,883,360
								6,127,820

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, 2017, 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, 2017 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:

- 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;
- 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.
- 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
- the expenditure incurred during the year were for the purposes of the company's business.

Dhaka,
February 19, 2018



KHAN WAHAB SHAFIQUE RAHMAN & CO.
Chartered Accountants

SBL Capital Management Limited

(A subsidiary of Standard Bank Ltd.)

Statement of Financial Position

As at 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
ASSETS:			
Non-Current Assets:		3,452,400	3,516,983
Property, Plant & Equipment	2.00	3,452,400	3,516,983
Current Assets:		4,503,551,867	4,278,303,078
Advances, Deposits & Prepayments	3.00	890,990	1,503,990
Investment in Shares	4.00	2,042,274,512	1,803,227,622
Margin Loan to Clients	5.00	2,086,917,389	2,223,574,329
Accounts Receivable	6.00	32,857,111	27,034,117
Advance Income Tax	7.00	259,340,484	202,372,019
Stock of Stationery		47,390	47,390
Other Assets	8.00	44,591,402	-
Cash & Bank Balances	9.00	36,632,589	20,543,610
TOTAL ASSETS		4,507,004,267	4,281,820,061
EQUITY AND LIABILITIES:			
Capital and Reserve:		1,552,152,261	1,534,893,470
Share Capital	10.00	1,500,000,000	1,500,000,000
Retained Earnings	11.00	52,152,260.74	34,893,470
Current Liabilities:		1,943,499,502	1,846,781,091
Loan facilities from Standard Bank Limited	12.00	1,919,482,312	1,799,654,140
Loan from ICB for ASI-2011	13.00	-	16,597,260
Provision for Expenses	14.00	968,909	634,308
Sundry Deposit	15.00	22,075,381	28,892,385
Liability for withholding LFC & others	16.00	172,900	202,998
Accounts Payable	17.00	800,000	800,000
Other Liabilities:		1,011,352,505	900,145,500
Provision for Taxation	18.00	246,302,418.69	201,459,401.08
Provision for diminution in value of investment	19.00	445,168,792	445,168,792
Provision for Margin Loan	20.00	319,392,228	253,028,243
Provision for interest waiver to Affected Small Investors	21.00	489,064	489,064
TOTAL EQUITY AND LIABILITIES		4,507,004,267	4,281,820,061
NAV per share (Per share value Tk. 100)	33.00	103.48	102.33

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 19, 2018



KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

SBL Capital Management Limited

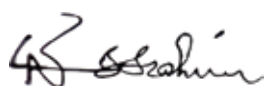
(A subsidiary of Standard Bank Ltd.)

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
INCOME:			
Interest Income	8.01	132,677,276	225,768,729
Transaction /Settlement fees		31,627,017	16,698,378
Management fee		8,714,679	8,305,159
Gain on Sale of Shares		86,817,644	48,800,604
Dividend on Investment in Shares		61,181,731	57,717,724
Underwriting Commission		150,000	-
Interest on SND Accounts		1,318,869	2,379,212
Other Income	22.00	1,365,700	1,325,200
Total Income (A)		323,852,915	360,995,006
EXPENDITURE:			
Interest Expense	23.00	149,974,315	158,516,068
Salary & Allowances	24.00	8,522,248	8,013,164
Rent, Taxes, Insurance & Electricity	25.00	1,835,823	1,873,875
Postage, Stamp & Telecommunication	26.00	61,271	51,760
Stationery, Printing & Advertisement	27.00	261,231	131,306
Directors' Fee & Other benefits	28.00	656,765	803,948
Audit & Consultancy Fees	29.00	223,100	238,050
Depreciation		525,533	376,359
Other Expenses	30.00	3,326,836	2,104,436
Total Expenditure (B)		165,387,122	172,108,966
Profit before Provision (C=A-B)		158,465,793	188,886,040
Less: Provision for diminution (surplus in value of investments)	19.00	-	29,891,353
Less: Provision for margin loan	20.00	66,363,985	94,434,142
Less: Provision for interest waiver to Affected Small Investors	21.00	-	-
Total Provision (D)		66,363,985	124,325,495
Profit/(Loss) before tax (E=C-D)		92,101,808	64,560,545
Less: Provision for Taxation	18.00	44,843,017	57,686,497
Profit/(Loss) after tax (Transferred to retained earnings)		47,258,791	6,874,048
Retained earnings brought forward from previous year	11.00	4,893,470	28,019,421
Retained earnings carried forward		52,152,261	34,893,469
Earnings per share	31.00	3.15	0.46

The accompanying notes form an integral part of these financial statement-



Chief Executive Officer



Director



Chairman

Subject to our separate report of even date

Dhaka: February 19, 2018

KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

SBL Capital Management Limited

(A subsidiary of Standard Bank Ltd.)

Statement of Cash Flows

For the year ended 31 December, 2017

Particulars	Notes	Amount in Taka	
		31.12.2017	31.12.2016
A. Cash Flow from Operating Activities:			
Net Profit after tax	11.00	47,258,791	6,874,049
Add: Non Cash Transaction		45,673,054	88,296,036
Accrued Expenses	14.00	334,601	301,229
Liability for withholding LFC	16.00	(30,098)	40,598
Provision for investment in securities	19.00	-	29,891,353
Corporate Income Tax	18.00	44,843,018	57,686,497
Depreciation	2.00	525,533	376,359
		(47,222,879)	(8,755,747)
Sundry Deposit	15.00	(6,817,004)	1,744,745
Accounts Receivable	6.00	(5,822,994)	(22,305,230)
Advance Income Tax	7.00	(56,968,465)	(82,724,685)
Advance deposit	3.00	613,000	563,000
Account Payable	17.00	-	(467,719)
Other Assets		(44,591,402)	-
Provision for Margin Loan	20.00	66,363,985	94,434,142
Net Cash flow from Operating Activities		45,708,964	86,414,336
B. Cash flow from Investing Activities :			
Investment in Shares	4.00	(239,046,890)	(42,504,094)
Purchase of Assets	2.00	(460,950)	(100,000)
Loan to Client	5.00	136,656,940	(81,364,598)
Net cash flow from Investing Activities		(102,850,900)	(123,968,691)
C. Cash Used by Financing Activities:			
Loan from SBL	12.00	119,828,172	185,016,089
ICB for ASI-2011	13.00	(16,597,260)	(63,583,141)
Dividend paid		(30,000,000)	(105,000,000)
Net cash flow from financing activities		73,230,912	16,432,948
D. Net Increase in cash and cash equivalents D=(A+B+C)		16,088,979	(21,121,407)
E. Opening cash and cash equivalents		20,543,610	41,665,017
Closing cash and cash equivalents (D+E)		36,632,589	20,543,610
Cash & Cash Equivalents:			
Name of the Bank Account:			
SBL Capital Mgt. Ltd Investors A/c# 1807		35,222,307	13,636,476
SBL Capital Mgt. Ltd A/c# 1808		413,604	116,136
SBL Capital Mgt. Ltd Own Portfolio A/c# 1810		931,020	93,337
Public Issue Application A/c# 1876		65,658	6,697,660
		36,632,589	20,543,610
Net Operating Cash Flow per share (Note-32)		3.05	5.76

The accompanying notes form an integral part of these financial statements.

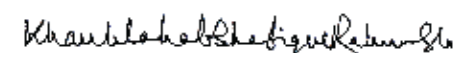

Chief Executive Officer


Director


Chairman

Subject to our separate report of even date

Dhaka: February 19, 2018


KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

SBL Capital Management Limited

(A subsidiary of Standard Bank Ltd.)

Statement of Changes in Shareholders Equity

As at 31 December, 2017

Particulars	Share capital	General Reserve	Retained earnings	Total
Balance as on 01.01.2017	1,500,000,000	-	34,893,470	1,534,893,470
Dividend for the year 2016	-	-	(30,000,000)	(30,000,000)
Retained earnings during the year	-	-	47,258,791	47,258,791
Balance as on 31.12.2017	1,500,000,000	-	52,152,261	1,552,152,261
Balance as on 31.12.2016	1,500,000,000	-	34,893,470	1,534,893,470

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



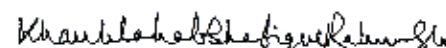
Director

Subject to our separate report of even date



Chairman

Dhaka: February 19, 2018



KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

SBL Capital Management Limited

(A subsidiary of Standard Bank Ltd.)

Notes to the financial statements

As at 31 December, 2017

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, 2017 to 31st December, 2017.

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 Straight Line 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/2009-193/203 dated 28 December, 2017.

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	
		31.12.2017	31.12.2016
2.00	Property, Plant & Equipments:		
	Opening Balance	5,835,594	5,735,594
	Add: Addition during the year	460,950	100,000
	Less: Adjustment	-	-
	Closing Balance (A)	6,296,543	5,835,594
	Depreciation:		
	Opening Balance	2,318,611	1,942,252
	Add: Charge for the period	525,533	376,359
	Less: Adjustment	-	-
	Closing Balance (B)	2,844,144	2,318,611
	Written Down Value (A-B)	3,452,400	3,516,983
	Details are shown in Annexure-1		
3.00	Advance, Deposits & Prepayments:		
	Advance for Office Rent	686,000	1,274,000
	Advance for Custody DP-CDBL	200,000	200,000
	Security deposit	4,990	4,990
	Suspense For Expenditure	-	25,000
	Total	890,990	1,503,990
4.00	Investment in Shares:		
	Total Investments (Note-4.01)	2,042,274,512	1,803,227,622
	Total	2,042,274,512	1,803,227,622
4.01	Ordinary Shares	No. of Company	Cost value 31.12.2016
	Investment in Secondary Share Market (Note: 4.01.01)	64	1,797,227,622
	Investment in Primary Share (Oimex Electrode Ltd & Nahee Aluminium Ltd)	-	6,000,000
	Total	2,042,274,512	1,803,227,622
4.01.01	Investment in Secondary Share Market:		
	Banking Company	532,024,969	414,909,108
	Non Banking Financial Institutions	243,684,404	208,246,952
	Insurance Company	238,661,862	247,998,789
	Investment Company	191,665,883	154,213,401
	Fuel and Power	292,867,353	286,658,914
	Manufacturing Company and Others	543,370,041	485,200,458
	Total	2,042,274,512	1,797,227,622
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:		
	This is made up as follows:		
	Portfolio Margin Loan	1,933,808,421	2,223,574,329
	Interest Free Block Loan	153,108,968	-
	Total	2,086,917,389	2,223,574,329
6.00	Account Receivable:		
	This is made up as follows:		
	Receivable from Brokers against Investors portfolio	7,465,728	8,769,661
	Receivable from Brokers against Own Portfolio	12,492,087	6,720,258
	Dividend Receivable	11,315,046	9,866,199
	Underwriting Commission Receivable	1,584,250	1,678,000
	Total	32,857,111	27,034,117

Amount in Taka	
31.12.2017	31.12.2016

7.00 Advance Income Tax:

This is made up as follows:

Opening Balance	202,372,019	119,647,334
Add: Tax deducted at source during the year (Note: 7.01)	12,109,646	9,916,947
Add: Advance Income Tax Paid during the year	44,858,819	72,807,738
	259,340,484	202,372,019
Less: Adjustment of Advance Income Tax for the Financial Period	-	-
	259,340,484	202,372,019
Less: Adjustment of demand Tax for the financial Year 2013	-	-
Closing Balance	259,340,484	202,372,019

Details break up of above balance have been given below:

Accounting year	Financial year 2017	Financial year 2016
2011	32,166,853	22,166,853
2012	20,379,479	10,379,479
2014	63,962,272	63,962,272
2015	23,138,730	23,138,730
2016	100,083,504	82,724,685
2017	19,609,646	-
	259,340,484	202,372,019

Income tax assesment has been completed for the financial year 2013 and advance tax paid for the year has been adjusted with demanded tax liabilities.

7.01 Tax deducted :

This is made up as follows:

Tax deducted on Interest Income	177,875	356,882
Tax deducted on Dividend Income & Others	11,931,771	9,560,065
	12,109,646	9,916,947

8.00 Other Assets:**i) Interest waiver A/c -KBM Moin Uddin Chisty, IDA-1396**

Addition during the year	79,042,562	-
Less: Amortized from January,2017 to December,2017	37,451,160	1,071,742
Interest to be waived for KBM Moin Uddin Chisty, IDA-1396 upto 2018	41,591,402	

ii) Interest waiver A/c -Sheikh Fazlul Karim Selim, IDA-0087

	3,000,000	-
Closing balance as on 31.12.2017	44,591,402	-

8.01 Interest Income on Portfolio Margin Loan

Interest Income during the year	170,128,436	226,840,471
Less: Charges on Loan Loses from January,2017 to December,2017	37,451,160	1,071,742
Net balance of Interest Income	132,677,276	225,768,729

9.00 Cash & Bank Balances

Cash in hand	-	-
Bank Balances with SBL, Principal Branch (Note-9.01)	36,632,589	20,543,610
Total	36,632,589	20,543,610

9.01 Bank Balance with SBL, Principal Branch:

SBL Capital Mgt. Ltd. Investor's (A/C: 00236001807)	35,222,307	13,636,476
SBL Capital Mgt. Ltd. (A/C: 00236001808)	413,604	116,136
SSBL Capital Mgt. Ltd. Own Portfolio (A/C: 00236001810)	931,020	93,337
Public Issue Application (SBL Cap. Mgt. Ltd.) (A/C: 00236001876)	65,658	6,697,660
Total	36,632,589	20,543,610

10.00 Share Capital:**10.01 Authorized Capital**

50,000,000 Ordinary Shares of TK. 100/- each	5,000,000,000	5,000,000,000
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10.02 Issued, Subscribed and Paid Up Capital

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 Akram Uddin Ahmed	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	14,999,450	1,499,945,000	99.9964
Total	15,000,000	1,500,000,000	100.00

		Amount in Taka	
		31.12.2017	31.12.2016
11.00	Retained Earnings		
	Opening Balance	34,893,470	133,019,421
	Less: Dividend paid	30,000,000	105,000,000
		4,893,470	28,019,421
	Add: Profit/(Loss) for the period	47,258,791	6,874,049
	Total	52,152,261	34,893,470
12.00	Loan facilities from Standard Bank Ltd.		
	Opening Balance	1,799,654,140	1,614,638,051
	Add: Addition during the year	209,828,173	185,016,089
		2,009,482,312	1,799,654,140
	Less: Refund during the year	90,000,000	-
	Closing Balance	1,919,482,312	1,799,654,140

The above loan was taken from Standard Bank Limited bearing interest @ 8.50 % per annum on quarterly basis vide reference No. SBL/HO/CR/2017/562 dated 02.01.2017.

		Amount in Taka	
		31.12.2017	31.12.2016
13.00	Loan from ICB for ASI-2011		
	Opening Balance	16,597,260	80,180,401
	Add: Addition during the period	-	-
	Total	16,597,260	80,180,401
	Less: Refund during the period	16,597,260	63,583,141
	Closing Balance	-	16,597,260
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.			
14.00	Provision for Expenses:		
	This is made up as follows:		
	Accrued Expenses (Not: 14.01)	968,909	634,308
		968,909	634,308
14.01	Accrued Expenses:		
	This is made up as follows:		
	Opening Balance	634,308	333,079
	Add: Accrued Exp. during the year	816,749	558,365
	Total	1,451,057	891,444
	Less: Adjustment during the year	482,149	257,136
	Closing Balance	968,909	634,308
15.00	Sundry Deposit		
	Portfolio Deposit Account (Investors)	21,979,817	22,088,553
	Public Issue Application Deposit	95,564	6,680,000
	Unidentified Entries	-	123,832
		22,075,381	28,892,385
16.00	Liability for withholding Tax, Vat, LFC & Others		
	Salary Tax at source payable	-	30,300
	VAT deducted at source payable	-	1,725
	Tax deducted at source payable	-	173
	LFC payable (Note-16.01)	172,900	170,800
		172,900	202,998
16.01	Leave Fare Concession (LFC)		
	Opening Balance	170,800	162,400
	Add: Addition during the period	172,900	160,800
	Total	343,700	323,200
	Loss: Disbursement during the period	170,800	152,400
	Closing Balance	172,900	170,800

Amount in Taka	
31.12.2017	31.12.2016

17.00 Accounts Payable

Payable for Leads Software*
Interest payable on ICB Loan-2011

800,000	800,000
-	-
800,000	800,000

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.

18.00 Provision for Tax

Opening Balance
Add: Provision for income tax made during the year (18.01)

201,459,401	143,772,904
44,843,017	57,686,497
246,302,419	201,459,401

Less: Over Provision of Tax

-	-
246,302,419	201,459,401

Less: Adjustment of Advance Income Tax

-	-
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Closing Balance

246,302,419	201,459,401
--------------------	--------------------

Details Break-up of the above balance has been given below:

Details	Financial year 2011	Financial year 2012	Financial year 2013	Financial year 2014	Financial year 2015	Financial year 2016	Financial year 2017
Opening Balance	0	1,990,574	7,264,990	53,813,140	118,158,418	143,772,904	201,459,401
Add: Provision during the year	1,990,574	5,274,416	46,548,150	64,345,278	72,162,636	57,686,497	44,843,017
Less: Adjustment of over provision	-	-	-	-	594,086	-	-
Less: Adjustment of TDS-2013	-	-	-	-	8,889,357	-	-
Less: Adjustment of Advance Income Tax for 2013	-	-	-	-	37,064,707	-	-
Total	1,990,574	7,264,990	53,813,140	118,158,418	143,772,904	201,459,401	246,302,418

Assessment for the financial year 2011 and assessment year 2012-2013 had been made by DCT and assessed tax liability Tk. 160,916,957 against provision for tax amounting to Tk. 1,990,574 in the financial statement for the financial year 2011. The company had filed 2nd appeal against the assessment order, which is under process.

Assessment for the financial year 2012 and assessment year 2013-2014 had been made by DCT and assessed tax liability Tk. 52,196,260 against provision for tax amounting to Tk. 5,274,416 in the financial statement for the financial year 2012. The company had filed appeal against the assessment order, which is yet to be heard. Assessment for the financial year 2013 and assessment year 2014-2015 had been completed by tax authority demanding tax liabilities Tk. 45,954,064.00 whereas tax liability had been provided in the financial statement for the year 2013 Tk. 46,548,150.00 and the over provision Tk. 594,086.00 has been adjusted during the year 2015. Assessment for the year 2015- 2016 has not yet been completed.

18.01 Provision for income tax made during the period

The computation of tax provision for the period is as under:

Tax on gain on sale of shares TK. 86,817,643.62 @ 10%	8,681,764	4,880,060
Tax on dividend from investment in share TK. 61,181,730.50 @ 20%	12,236,346	11,543,545
Tax on Business Income TK. 10,466,418 @ 37.50% (Including perquisites 500,000)	3,924,907	31,262,892
Provision of Income Tax for the Financial year 2017	24,843,017	47,686,497
Add: Provision of Income Tax for the Financial year 2011 & year 2012 - Equally each year	20,000,000	10,000,000
Total Tax Provision	44,843,017	57,686,497

	Amount in Taka	
	31.12.2017	31.12.2016
19.00 Provision for diminution in value of Investment		
Opening Balance	445,168,792	415,277,439
Less: Provision made during the period	-	29,891,353
Closing Balance	445,168,792	445,168,792

During the year shortfall amount of Tk. 430,803,362.72 which is lower than last year provision maintained amount of Tk. 445,168,792.00. For this above reason there is not required to maintain provision for diminution in value of investment for the year 2017.

20.00 Provision for Margin Loan:		
Opening Balance	253,028,243	158,594,101
Add: Provision made during the year	66,363,985	94,434,142
Closing Balance	319,392,228	253,028,243

There arises loss/shortfall in Investors portfolio investment (except rescheduling account amount to shortfall Tk. 108,635,063) amounting to Tk. **584,848,170** representing difference of loan balance and market value of securities on December 31, 2017 this shortfall/ loss should be provided in account. However, BSEC has given a facilities to the Investors by using a circular on SEC/CMRRCD/2009-193/203 dated, December 28, 2017) that loss/shortfall in provision for investment might be amortized in five (05) equal quarterly installment. Provision made for Tk.66,363,985.00 against net shortfall of portfolio investment of Tk. 331,819,926. As such, shortfall in provision stands at Tk. 265,455,941 which is made up as follows:

Provision for Margin Loan:

Required Provision for Margin Loan as on 31.12.2017	693,483,233	630,764,809
Less: Rescheduling Account shortfall as on 31.12.2017	108,635,063	-
Required Provision for Margin Loan as on 31.12.2017	584,848,170	630,764,809
Less: Opening balance on 01.01.2017	253,028,243	158,594,101
Net Required Shortfall	331,819,926	472,170,708
Less: 20% of Tk. 331,819,926/- amortized in Income Statement of current period Net provision shortfall	66,363,985	94,434,142
	265,455,941	377,735,566

21.00 Provision for Interest Waiver to A.S.I.		
Opening Balance	489,064	489,064
Add: Provision made during the period	-	-
Closing Balance	489,064	489,064

22.00 Other Income:		
Documentation Charge	47,500	13,000
Charge for Investment Certificate	45,000	35,400
Account Closing Charges	13,200	16,800
Sharing Infrastructure Charge	1,260,000	1,260,000
	1,365,700	1,325,200

		Amount in Taka	
		31.12.2017	31.12.2016
23.00 Interest Expenses			
Interest expenses on SBL Loan		149,828,173	155,016,089
Interest expenses on ICB Loan-2011		146,142	3,499,979
Interest paid to Standard Bank Ltd. & ICB for loan facilities		149,974,315	158,516,068
24.00 Salary & Allowances:			
Salaries (Basic)		4,019,730	3,721,565
House Rent Allowance		2,009,865	1,860,783
House Maintenance & Utility		66,000	60,000
Medical Allowance		618,000	611,581
Conveyance Allowance		428,000	443,581
Provident Fund (Company contribution)		401,973	372,157
Leave Fare Concession (LFC)		162,900	160,800
Festival Bonus		677,780	628,680
Washing Allowance		18,000	17,790
Casual Wages		120,000	136,227
Total		8,522,248	8,013,164
25.00 Rent, Insurance & Electricity:			
Rent for Office Premises		1,487,640	1,433,936
Electricity		207,137	190,897
Generator Expenses		10,000	27,118
Lift Service		30,000	30,000
Water & Sewerage		33,058	30,374
WAN Connectivity Expenses		67,988	161,550
Total		1,835,823	1,873,875
26.00 Postage, Stamp & Telecommunication:			
Postage and Courier		12,975	2,717
Mobile expenses		24,296	24,300
Telephone Expenses		24,000	24,743
Total		61,271	51,760
27.00 Stationery, Printing & Advertisement :			
Printing & Stationery		107,666	71,248
Computer, Printer & Networking Accessories		153,566	60,058
Advertisement & Publicity		-	-
Total		261,231	131,306
28.00 Director's Fee & Other Expenses:			
Director's Meeting fees		377,200	386,400
Director's haltage expenses		9,056	14,150
Entertainment for the Bord Meeting		132,263	203,598
Director's Traveling Expenses		138,246	199,800
Total		656,765	803,948
29.00 Audit & Consultancy:			
Audit Fees		57,500	57,500
Legal Fees		165,600	165,600
Professional Fees		-	14,950
Total		223,100	238,050

Amount in Taka		
	31.12.2017	31.12.2016
30.00 Other Expenses:		
Travelling & Conveyance expenses	31,171	4,965
Entertainment expenses (Office)	41,038	25,442
Photocopy & Photograph	7,880	5,067
Training & Internship	-	14,700
Uniform & Leverage	9,600	10,250
Cleaning Services from Outsourcing	118,035	19,838
Rate & Taxes	1,976	53,067
Legal Charges	37,000	16,500
Public Issue registration charge	6,000	-
RJSC Fess & Charges	-	49,500
Drinking Water Expenses	34,847	22,440
CDBL Charges (Note-30.01)	2,130,456	1,240,653
Registration & Renewal fees	236,946	173,423
BO Account Maintenance Fee	350	350
Miscellaneous expenses for Board Meeting	40,586	54,761
Maintenance, repair, renovation- Office Premises	30,368	61,330
Paper & Periodicals	7,496	5,335
Car Expenses	318,367	176,825
Petrol, Oil & Lubricants	180,000	111,290
Bank Charges (MICR cheque book, HV & RV charges)	94,720	58,700
Total	3,326,836	2,104,436
30.01 CDBL Charges:		
CDBL charges from January'2017 to December'2017	2,130,456	1,240,653
Less: Cash back rebate from CDBL	-	-
Net charges	2,130,456	1,240,653
31.00 Earning Per Share (EPS)		
Net profit after tax	47,258,791	6,874,049
Weighted average outstanding number of shares	15,000,000	15,000,000
Earning Per Share	3.15	0.46
32.00 Net operating cash flow per share (NOPCFPS)		
Net cash flow from operating activities	45,708,964	86,414,336
Number of shares	15,000,000	15,000,000
Net operating cash flow per share	3.05	5.76
33.00 NAV per share		
Shareholder's equity	1,552,152,261	1,534,893,470
Number of shares	15,000,000	15,000,000
NAV per share	103.48	102.33

Schedule of Property, Plant & Equipments

As at 31 December, 2017

"Annexure -1"

Particulars	COST				Rate (%)	DEPRECIATION				Written Down Value 31.12.2017
	Balance as on 01.01.2017	Addition during the year	Adjustment	Balance as on 31.12.2017		Balance as on 01.01.2017	Charged during the year	Adjustment	Balance as on 31.12.2017	
Office Equipment Computer, Printer, UPS, Server etc	-	-	-	-	20%	-	-	-	-	-
	357,613	343,350	-	700,963	20%	-	105,858	-	105,858	595,105
Office Renovation	1,984,293	-	-	1,984,293	10%	-	198,429	-	198,429	1,785,864
Furniture & Fixture	196,493	117,600	-	314,093	10%	-	25,529	-	25,529	288,564
Software	978,584	-	-	978,584	20%	-	195,717	-	195,717	782,867
Total Balance as on 31.12.2017	3,516,983	460,950	-	3,977,933		-	525,533	-	525,533	3,452,400
Total Balance as on 31.12.2016	5,735,594		-	5,835,594		1,942,253	376,359		2,318,611	3,516,983

SBL Capital Management Limited

(A subsidiary of Standard Bank Ltd.)

Own Portfolio Statement

As on 31 December, 2017

“Annexure -2”

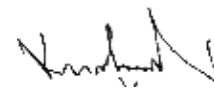
SI	Company Name	Total Share	Total Cost Amount	Market Price	Total Market Value	Unrealised Gain/(Loss)
1	ACME Laboratories	100,000	10,841,085	114.00	11,400,000	558,916
2	Agrani Ins. Co. Ltd.	542,000	15,992,657	20.60	11,165,200	(4,827,457)
3	Al-Arafah Islami Bnk	400,000	9,615,276	24.10	9,640,000	24,724
4	Aman Feed Limited	126,000	8,673,598	63.60	8,013,600	(659,998)
5	Asia Pacific Ins. Co	63,000	2,361,366	25.20	1,587,600	(773,766)
6	Baraka Power Limited	80,000	2,861,362	34.40	2,752,000	(109,362)
7	BD Fin & Inv Co Ltd.	670,000	19,248,576	21.60	14,472,000	(4,776,576)
8	BD Submarine Cable	483,000	73,501,961	103.10	49,797,300	(23,704,659)
9	Bd. Welding Electrodes	135,000	3,232,955	24.00	3,240,000	7,045
10	BEXIMCO Ltd.	420,000	12,862,110	27.00	11,340,000	(1,522,110)
11	BSRM Steel Limited	986,000	111,048,426	78.50	77,401,000	(33,647,424)
12	Dhaka Bank Ltd.	2,637,500	61,408,047	22.00	58,025,000	(3,383,047)
13	EXIM Bank Ltd.	1,650,026	28,706,423	17.20	28,380,447	(325,976)
14	Fareast Islami Life	316,800	43,000,347	71.50	22,651,200	(20,349,146)
15	First Security Bank	460,000	7,138,326	15.30	7,038,000	(100,326)
16	Global Insurance Ltd	1,010,000	33,401,444	15.80	15,958,000	(17,443,443)
17	Grameen MFO:Scheme 2	4,600,000	66,994,151	15.50	71,300,000	4,305,849
18	Heidelberg Cement	103,000	52,118,138	424.90	43,764,700	(8,353,433)
19	IAMCL 2nd NRB MF	3,450,000	78,915,176	10.60	36,570,000	(42,345,176)
20	ICB AMCL 2nd MF	800,000	11,038,359	8.20	6,560,000	(4,478,359)
21	ICB Islamic Bank Ltd	4,190,000	39,512,939	7.00	29,330,000	(10,182,939)
22	IFAD Autos Limited	8,000	1,000,397	126.00	1,008,000	7,604
23	IFIC Bank 1st MF	2,645,001	17,241,503	6.10	16,134,506	(1,106,997)
24	IFIC Bank Ltd.	530,000	5,300,000	18.00	9,540,000	4,240,000
25	Int. Leasing And FSL	600,000	14,176,454	22.10	13,260,000	(916,453)
26	Islamic Finance Inv	1,665,000	41,658,507	21.00	34,965,000	(6,693,506)
27	Jamuna Bank Limited	1,095,000	23,542,478	22.00	24,090,000	547,522
28	Jamuna Oil Co. Ltd	190,000	38,576,748	189.70	36,043,000	(2,533,746)
29	Lafarge Surma Cement	1,726,000	157,391,027	69.90	120,647,400	(36,743,626)
30	LankaBangla Finance	625,000	26,865,925	47.80	29,875,000	3,009,076
31	Meghna Petroleum Ltd	149,000	28,772,758	188.90	28,146,100	(626,656)
32	Mercantile Ins. Ltd.	628,000	19,760,009	23.30	14,632,400	(5,127,608)
33	MIDAS Financing Ltd.	810,000	47,588,563	44.70	36,207,000	(11,381,562)
34	Nahee Aluminum CPL	6,847	62,247	73.40	502,570	440,323
35	National Bank Ltd.	2,200,000	46,509,837	13.00	28,600,000	(17,909,837)

SI	Company Name	Total Share	Total Cost Amount	Market Price	Total Market Value	Unrealised Gain/(Loss)
36	NCCBL	900,000	15,020,739	17.70	15,930,000	909,261
37	Nitol Insurance	373,802	14,773,218	32.40	12,111,185	(2,662,033)
38	Oimex Electrode Ltd	7,229	65,719	65.20	471,331	405,612
39	ONE Bank Ltd.	1,211,524	29,709,499	24.00	29,076,576	(632,922)
40	Padma Oil Co. Ltd	135,000	34,346,360	239.00	32,265,000	(2,081,358)
41	Peoples Leasing	2,520,000	44,617,972	13.70	34,524,000	(10,093,972)
42	Popular Life 1st MF	1,620,000	10,272,057	6.20	10,044,000	(228,057)
43	Popular Life Ins.	150,000	11,904,301	71.50	10,725,000	(1,179,301)
44	Pragati Ins Ltd.	617,400	57,524,032	29.80	18,398,520	(39,125,511)
45	Prime Bank Limited	2,540,000	85,984,981	27.40	69,596,000	(16,388,980)
46	Prime Bank 1st ICB MF	500,000	4,935,556	7.40	3,700,000	(1,235,556)
47	Prime Finance	264,000	34,119,383	12.20	3,220,800	(30,898,581)
48	Prime Islami Life	252,000	39,944,486	54.90	13,834,800	(26,109,684)
49	Pubali Bank Ltd.	545,000	16,442,224	30.40	16,568,000	125,777
50	Quasem Drycells Ltd.	28,800	2,301,631	77.50	2,232,000	(69,630)
51	Rupali Bank Limited	40,000	2,658,482	66.20	2,648,000	(10,481)
52	Shahjalal Islami Bnk	35,000	929,735	33.00	1,155,000	225,265
53	Shahjibazar Power Co	34,086	4,477,768	116.10	3,957,385	(520,383)
54	Southeast Bank Ltd	1,105,000	24,438,469	22.20	24,531,000	92,531
55	Square Pharma	7,000	2,090,256	301.80	2,112,600	22,347
56	Summit Power Ltd.	2,400,000	113,728,860	35.90	86,160,000	(27,568,860)
57	Titas Gas T&D Co Ltd	1,105,000	70,103,495	44.20	48,841,000	(21,262,494)
58	Trust Bank 1st MF	325,001	2,269,079	6.70	2,177,507	(91,573)
59	UCBL	4,200,000	108,365,848	23.60	99,120,000	(9,245,847)
60	Union Capital Ltd	648,000	15,409,024	20.10	13,024,800	(2,384,224)
61	Unique Hotel & Resort	830,000	48,739,840	56.80	47,144,000	(1,595,840)
62	Uttara Bank Limited	710,000	26,741,665	35.30	25,063,000	(1,678,664)
63	Western Marine	2,274,400	58,049,577	29.30	66,639,920	8,590,343
64	Zeal Bangla Sugar	30,895	1,391,069	70.00	2,162,650	771,581
Total			2,042,274,512		1,611,471,149	(430,803,363)

The accompanying notes form an integral part of these financial statements.

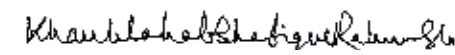

Chief Executive Officer


Director


Chairman

Subject to our separate report of even date

Dhaka: February 19, 2018


KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

STANDARD EXCHANGE COMPANY (UK) LIMITED FINANCIAL INFORMATION

Standard Exchange Company (UK) Limited

Financial Statements

For the Year Ended 31 December 2017

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, 2017

The directors present their report and accounts for the year ended 31/12/2017

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:

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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;
- 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 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 15/01/2018



MR KAZI AKRAM UDDIN AHMED

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, 2017

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 31/12/2017 as set out on pages 5 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member of the Chartered Institute of Management Accountants (CIMA), we are subject to its ethical and other professional requirements which are detailed on their website.

This report is made solely to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in accordance with the terms of our engagement letter dated . Our work has been undertaken solely to prepare for your approval the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED and state those matters that we have agreed to state to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) as detailed on their website. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than STANDARD EXCHANGE COMPANY (UK) LIMITED and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that STANDARD EXCHANGE COMPANY (UK) LIMITED has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profitability of STANDARD EXCHANGE COMPANY (UK) LIMITED. You consider that STANDARD EXCHANGE COMPANY (UK) LIMITED is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



Jahan & Co
Chartered Management Accountants 22 Osborn Street
London
E1 6TD

15/01/2018

Standard Exchange Company (UK) Limited

Profit and Loss Account

For the year ended 31 December, 2017

Particulars	Notes	Amount in £	
		31.12.2017	31.12.2016
		£	£
TURNOVER	2	118,969	229,668
GROSS PROFIT		118,969	229,668
Distribution costs and selling expenses		(2,775)	(2,117)
Administrative expenses		(169,243)	(237,579)
OPERATING LOSS	3	(53,049)	(10,028)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(53,049)	(10,028)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(53,049)	(10,028)

BALANCE SHEET AT 31/12/2017			
	Notes	2017	2016
		£	£
FIXED ASSETS			
Tangible assets	5	18,290	24,487
CURRENT ASSETS			
Debtors	6	172,973	172,971
Cash at bank and in hand		19,648	70,464
		192,621	243,435
CREDITORS: Amounts falling due within one year	7	135,072	139,034
NET CURRENT ASSETS		57,549	104,401
TOTAL ASSETS LESS CURRENT LIABILITIES		75,839	128,888
CAPITAL AND RESERVES			
Called up share capital	8	300,000	300,000
Profit and loss account		(224,161)	(171,112)
SHAREHOLDERS' FUNDS		75,839	128,888

For the year ending 31/12/2017 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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the board on 15/01/2018 and signed on their behalf by



MR KAZI AKRAM UDDIN AHMED
Director

MR MUHAMMAD ABDUL AHAD
CEO (CURRENT IN CHARGE)

Standard Exchange Company (UK) Limited

Notes to the Accounts

For the year ended 31 December, 2017

1. ACCOUNTING POLICIES

1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with FRS102 section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1b. Going Concern

These financial statements have not been prepared on the going concern basis

1c. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Short Leasehold Properties	straight line 15 Years%
Plant and Machinery	reducing balance 20%
Fixtures and Fittings	reducing balance 20%

1d. Pension Costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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. EMPLOYEES

	2017	2016
	No.	No.
Average number of employees	3	5

3. PENSION CONTRIBUTIONS

	2017	2016
	£	£
Pension contributions	311	-
	311	-

4. TAX ON ORDINARY ACTIVITIES

5. TANGIBLE FIXED ASSETS

	Short Leasehold Properties	Plant and Machinery	Fixtures and Fittings	Total
Cost				
At 01/01/2017	17,733	23,650	42,368	83,751

Standard Exchange Company (UK) Limited

Notes to the Accounts

For the year ended 31 December, 2017

	Short Leasehold Properties	Plant and Machinery	Fixtures and Fittings	Total
At 31/12/2017	17,733	23,650	42,368	83,751
Depreciation				
At 01/01/2017	10,934	16,689	31,641	59,264
For the year	2,660	1,392	2,145	6,197
At 31/12/2017	13,594	18,081	33,786	65,461
Net Book Amounts				
At 31/12/2017	4,139	5,569	8,582	18,290
At 31/12/2016	6,799	6,961	10,727	24,487

6. DEBTORS

	2017	2016
	£	£
Amounts falling due within one year		
Trade debtors	37,460	37,460
Other debtors	8,749	8,747
Directors current account	126,764	126,764
	172,973	172,971

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Payments received on account	119,350	121,273
Bills of exchange payable	14,847	7,369
Accruals	875	10,392
	135,072	139,034

8. SHARE CAPITAL

	2017	2016
	£	£
Allotted, issued and fully paid:		
300000 ORDINARY SHARES of £ 1 each	300000	300000
	300,000	300,000

Standard Exchange Company (UK) Limited

9. PROFIT AND LOSS RESERVE

	2017	2016
Opening Balance	(171,112)	(161,084)
(Loss) / Profit for the Year	(53,049)	(10,028)
Closing Balance	(224,161)	(171,112)

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.

Trading and Profit & Loss Account

For the year ended 31 December, 2017

		2017		2016
		£		£
Turnover		118,969		229,668
Cost of Sales:				
Gross Profit		118,969		229,668
		118,969		229,668
Less:				
Distribution costs	2,775		2,117	
Administrative expenses	169,243		237,579	
		172,018		239,696
Net loss for the year before taxation		(53,049)		(10,028)
Net loss for the year after taxation		(53,049)		(10,028)
Retained losses brought forward		(171,112)		(161,084)
Retained losses carried forward		(224,161)		(171,112)
This page does not form part of the Company's Statutory Accounts and is prepared for the information of the Directors only				

	Amount in £	
	31.12.2017	31.12.2016
Distribution Costs:		
Advertising and sales promotion	1,750	1,310
Travel	1,025	807
	<u>2,775</u>	<u>2,117</u>
Administrative Expenses:		
Rates	50,356	48,817
Heat and light	1,461	3,116
Cleaning	1,404	1,572
Repairs and renewals	730	3,971
Wages - regular	54,535	65,287
Pension contributions	311	-
Staff welfare	627	1,261
Training	2,075	565
Accountancy fees	3,500	3,500
Professional fees	-	5,360
Consultancy fees	-	2,750
Legal costs (revenue)	840	12,135
Auditors fees	-	2,400
Insurance	1,419	-
Stationery & office supplies	1,388	1,557
Technical library	760	439
Telephone	1,680	863
Subscriptions	620	758
Trade literature	-	425
Bank charges	41,339	67,537
Sundry expenses		8,184
Depreciation and Amortisation:		
Depreciation of short leasehold properties	2,661	2,661
Depreciation of plant and machinery	1,392	1,740
Depreciation of fixtures and fittings	2,145	2,681
	<u>169,243</u>	<u>237,579</u>

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STANDARD CO (USA) INC. FINANCIAL INFORMATION

STANDARD CO.(USA) INC. D/B/A: STANDARD EXPRESS

Financial Statements

For the Year Ended 31 December 2017

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. 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 168-15 Hillside Avenue Jamaica, NY -11432

Ozone Park mBranch 75-15 101 Avenue Ozone Park, NY 11416

Brooklyn Branch 487 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, 2017

Directors present their report and the financial statements for the year ended 31st December 2017.

Principal Activity

The principal activity of the company in the period under review was that of money transfer

Directors

Kazi Akram Uddin Ahmed, Mamun-Ur-Rashid and Mohammed A Malek have held office for the year ended 2017 .

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, 2017

	Dec 17 \$		Dec 16 \$	
INCOME				
Commission	259,124.00	-	201,629.99	-
Exchange Gain	1,018,136.47	-	951,723.62	-
Interest Income	2,659.59	-	5,518.96	-
Other Income	13,523.25	-	613.80	-
Total Income	1,293,443.31	-	1,159,486.37	-
Total Expenses	1,273,975.67	-	1,092,979.24	-
Operating Profit/(Loss)	19,467.64	-	66,507.13	-
Profit/(Loss) on Ordinary Activities Before Tax	19,467.64	-	66,507.13	-
Tax on profit on ordinary Activities				
Profit/(Loss) on Ordinary Activities After Tax	19,467.64	-	66,507.13	-
Dividends				
Retained profit/(Loss) for the Year	19,467.64	-	66,507.13	-
Retained profit/(Loss) Brought forward	(114,792.44)	-	(181,299.57)	-
Appropriation Accounts				
Retained profit/(Loss) Carried Forward	(95,324.80)	-	(114,792.44)	-



Authorised Signatory
Accountant



Authorised Signatory
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

Schedule of Property, Plant & Equipments

As at 31 December, 2017

"Annexure -1"

Particulars	COST				Rate (%)	DEPRECIATION				Written Down Value 31.12.2017
	Balance as on 01.01.2017	Addition during the year	Adjustment	Balance as on 31.12.2017		Balance as on 01.01.2017	Charged during the year	Adjustment	Balance as on 31.12.2017	
Office Equipment Computer, Printer, UPS, Server etc	-	-	-	-	20%	-	-	-	-	-
	357,613	343,350	-	700,963	20%	-	105,858	-	105,858	595,105
Office Renovation	1,984,293	-	-	1,984,293	10%	-	198,429	-	198,429	1,785,864
Furniture & Fixture	196,493	117,600	-	314,093	10%	-	25,529	-	25,529	288,564
Software	978,584	-	-	978,584	20%	-	195,717	-	195,717	782,867
Total Balance as on 31.12.2017	3,516,983	460,950	-	3,977,933		-	525,533	-	525,533	3,452,400
Total Balance as on 31.12.2016	5,735,594		-	5,835,594		1,942,253	376,359		2,318,611	3,516,983

SBL Capital Management Limited

(A subsidiary of Standard Bank Ltd.)

Own Portfolio Statement

As on 31 December, 2017

“Annexure -2”


SI	Company Name	Total Share	Total Cost Amount	Market Price	Total Market Value	Unrealised Gain/(Loss)
1	ACME Laboratories	100,000	10,841,085	114.00	11,400,000	558,916
2	Agrani Ins. Co. Ltd.	542,000	15,992,657	20.60	11,165,200	(4,827,457)
3	Al-Arafah Islami Bnk	400,000	9,615,276	24.10	9,640,000	24,724
4	Aman Feed Limited	126,000	8,673,598	63.60	8,013,600	(659,998)
5	Asia Pacific Ins. Co	63,000	2,361,366	25.20	1,587,600	(773,766)
6	Baraka Power Limited	80,000	2,861,362	34.40	2,752,000	(109,362)
7	BD Fin & Inv Co Ltd.	670,000	19,248,576	21.60	14,472,000	(4,776,576)
8	BD Submarine Cable	483,000	73,501,961	103.10	49,797,300	(23,704,659)
9	Bd. Welding Electrodes	135,000	3,232,955	24.00	3,240,000	7,045
10	BEXIMCO Ltd.	420,000	12,862,110	27.00	11,340,000	(1,522,110)
11	BSRM Steel Limited	986,000	111,048,426	78.50	77,401,000	(33,647,424)
12	Dhaka Bank Ltd.	2,637,500	61,408,047	22.00	58,025,000	(3,383,047)
13	EXIM Bank Ltd.	1,650,026	28,706,423	17.20	28,380,447	(325,976)
14	Fareast Islami Life	316,800	43,000,347	71.50	22,651,200	(20,349,146)
15	First Security Bank	460,000	7,138,326	15.30	7,038,000	(100,326)
16	Global Insurance Ltd	1,010,000	33,401,444	15.80	15,958,000	(17,443,443)
17	Grameen MFO:Scheme 2	4,600,000	66,994,151	15.50	71,300,000	4,305,849
18	Heidelberg Cement	103,000	52,118,138	424.90	43,764,700	(8,353,433)
19	IAMCL 2nd NRB MF	3,450,000	78,915,176	10.60	36,570,000	(42,345,176)
20	ICB AMCL 2nd MF	800,000	11,038,359	8.20	6,560,000	(4,478,359)
21	ICB Islamic Bank Ltd	4,190,000	39,512,939	7.00	29,330,000	(10,182,939)
22	IFAD Autos Limited	8,000	1,000,397	126.00	1,008,000	7,604
23	IFIC Bank 1st MF	2,645,001	17,241,503	6.10	16,134,506	(1,106,997)
24	IFIC Bank Ltd.	530,000	5,300,000	18.00	9,540,000	4,240,000
25	Int. Leasing And FSL	600,000	14,176,454	22.10	13,260,000	(916,453)
26	Islamic Finance Inv	1,665,000	41,658,507	21.00	34,965,000	(6,693,506)
27	Jamuna Bank Limited	1,095,000	23,542,478	22.00	24,090,000	547,522
28	Jamuna Oil Co. Ltd	190,000	38,576,748	189.70	36,043,000	(2,533,746)
29	Lafarge Surma Cement	1,726,000	157,391,027	69.90	120,647,400	(36,743,626)
30	LankaBangla Finance	625,000	26,865,925	47.80	29,875,000	3,009,076
31	Meghna Petroleum Ltd	149,000	28,772,758	188.90	28,146,100	(626,656)
32	Mercantile Ins. Ltd.	628,000	19,760,009	23.30	14,632,400	(5,127,608)
33	MIDAS Financing Ltd.	810,000	47,588,563	44.70	36,207,000	(11,381,562)
34	Nahee Aluminum CPL	6,847	62,247	73.40	502,570	440,323
35	National Bank Ltd.	2,200,000	46,509,837	13.00	28,600,000	(17,909,837)

SI	Company Name	Total Share	Total Cost Amount	Market Price	Total Market Value	Unrealised Gain/(Loss)
36	NCCBL	900,000	15,020,739	17.70	15,930,000	909,261
37	Nitol Insurance	373,802	14,773,218	32.40	12,111,185	(2,662,033)
38	Oimex Electrode Ltd	7,229	65,719	65.20	471,331	405,612
39	ONE Bank Ltd.	1,211,524	29,709,499	24.00	29,076,576	(632,922)
40	Padma Oil Co. Ltd	135,000	34,346,360	239.00	32,265,000	(2,081,358)
41	Peoples Leasing	2,520,000	44,617,972	13.70	34,524,000	(10,093,972)
42	Popular Life 1st MF	1,620,000	10,272,057	6.20	10,044,000	(228,057)
43	Popular Life Ins.	150,000	11,904,301	71.50	10,725,000	(1,179,301)
44	Pragati Ins Ltd.	617,400	57,524,032	29.80	18,398,520	(39,125,511)
45	Prime Bank Limited	2,540,000	85,984,981	27.40	69,596,000	(16,388,980)
46	Prime Bank 1st ICB MF	500,000	4,935,556	7.40	3,700,000	(1,235,556)
47	Prime Finance	264,000	34,119,383	12.20	3,220,800	(30,898,581)
48	Prime Islami Life	252,000	39,944,486	54.90	13,834,800	(26,109,684)
49	Pubali Bank Ltd.	545,000	16,442,224	30.40	16,568,000	125,777
50	Quasem Drycells Ltd.	28,800	2,301,631	77.50	2,232,000	(69,630)
51	Rupali Bank Limited	40,000	2,658,482	66.20	2,648,000	(10,481)
52	Shahjalal Islami Bnk	35,000	929,735	33.00	1,155,000	225,265
53	Shahjibazar Power Co	34,086	4,477,768	116.10	3,957,385	(520,383)
54	Southeast Bank Ltd	1,105,000	24,438,469	22.20	24,531,000	92,531
55	Square Pharma	7,000	2,090,256	301.80	2,112,600	22,347
56	Summit Power Ltd.	2,400,000	113,728,860	35.90	86,160,000	(27,568,860)
57	Titas Gas T&D Co Ltd	1,105,000	70,103,495	44.20	48,841,000	(21,262,494)
58	Trust Bank 1st MF	325,001	2,269,079	6.70	2,177,507	(91,573)
59	UCBL	4,200,000	108,365,848	23.60	99,120,000	(9,245,847)
60	Union Capital Ltd	648,000	15,409,024	20.10	13,024,800	(2,384,224)
61	Unique Hotel & Resort	830,000	48,739,840	56.80	47,144,000	(1,595,840)
62	Uttara Bank Limited	710,000	26,741,665	35.30	25,063,000	(1,678,664)
63	Western Marine	2,274,400	58,049,577	29.30	66,639,920	8,590,343
64	Zeal Bangla Sugar	30,895	1,391,069	70.00	2,162,650	771,581
Total			2,042,274,512		1,611,471,149	(430,803,363)

The accompanying notes form an integral part of these financial statements.

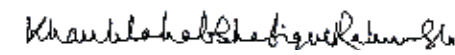

Chief Executive Officer


Director


Chairman

Subject to our separate report of even date

Dhaka: February 19, 2018


KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

STANDARD EXCHANGE COMPANY (UK) LIMITED FINANCIAL INFORMATION

Standard Exchange Company (UK) Limited

Financial Statements

For the Year Ended 31 December 2017

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, 2017

The directors present their report and accounts for the year ended 31/12/2017

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:

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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;
- 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 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 15/01/2018



MR KAZI AKRAM UDDIN AHMED

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, 2017

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 31/12/2017 as set out on pages 5 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member of the Chartered Institute of Management Accountants (CIMA), we are subject to its ethical and other professional requirements which are detailed on their website.

This report is made solely to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in accordance with the terms of our engagement letter dated . Our work has been undertaken solely to prepare for your approval the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED and state those matters that we have agreed to state to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) as detailed on their website. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than STANDARD EXCHANGE COMPANY (UK) LIMITED and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that STANDARD EXCHANGE COMPANY (UK) LIMITED has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profitability of STANDARD EXCHANGE COMPANY (UK) LIMITED. You consider that STANDARD EXCHANGE COMPANY (UK) LIMITED is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



Jahan & Co
Chartered Management Accountants 22 Osborn Street
London
E1 6TD

15/01/2018

Standard Exchange Company (UK) Limited

Profit and Loss Account

For the year ended 31 December, 2017

Particulars	Notes	Amount in £	
		31.12.2017	31.12.2016
		£	£
TURNOVER	2	118,969	229,668
GROSS PROFIT		118,969	229,668
Distribution costs and selling expenses		(2,775)	(2,117)
Administrative expenses		(169,243)	(237,579)
OPERATING LOSS	3	(53,049)	(10,028)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(53,049)	(10,028)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(53,049)	(10,028)

BALANCE SHEET AT 31/12/2017			
	Notes	2017	2016
		£	£
FIXED ASSETS			
Tangible assets	5	18,290	24,487
CURRENT ASSETS			
Debtors	6	172,973	172,971
Cash at bank and in hand		19,648	70,464
		192,621	243,435
CREDITORS: Amounts falling due within one year	7	135,072	139,034
NET CURRENT ASSETS		57,549	104,401
TOTAL ASSETS LESS CURRENT LIABILITIES		75,839	128,888
CAPITAL AND RESERVES			
Called up share capital	8	300,000	300,000
Profit and loss account		(224,161)	(171,112)
SHAREHOLDERS' FUNDS		75,839	128,888

For the year ending 31/12/2017 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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the board on 15/01/2018 and signed on their behalf by



MR KAZI AKRAM UDDIN AHMED
Director

MR MUHAMMAD ABDUL AHAD
CEO (CURRENT IN CHARGE)

Standard Exchange Company (UK) Limited

Notes to the Accounts

For the year ended 31 December, 2017

1. ACCOUNTING POLICIES

1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with FRS102 section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1b. Going Concern

These financial statements have not been prepared on the going concern basis

1c. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Short Leasehold Properties	straight line 15 Years%
Plant and Machinery	reducing balance 20%
Fixtures and Fittings	reducing balance 20%

1d. Pension Costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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. EMPLOYEES

	2017	2016
	No.	No.
Average number of employees	3	5

3. PENSION CONTRIBUTIONS

	2017	2016
	£	£
Pension contributions	311	-
	311	-

4. TAX ON ORDINARY ACTIVITIES

5. TANGIBLE FIXED ASSETS

	Short Leasehold Properties	Plant and Machinery	Fixtures and Fittings	Total
Cost				
At 01/01/2017	17,733	23,650	42,368	83,751

Standard Exchange Company (UK) Limited

Notes to the Accounts

For the year ended 31 December, 2017

	Short Leasehold Properties	Plant and Machinery	Fixtures and Fittings	Total
At 31/12/2017	17,733	23,650	42,368	83,751
Depreciation				
At 01/01/2017	10,934	16,689	31,641	59,264
For the year	2,660	1,392	2,145	6,197
At 31/12/2017	13,594	18,081	33,786	65,461
Net Book Amounts				
At 31/12/2017	4,139	5,569	8,582	18,290
At 31/12/2016	6,799	6,961	10,727	24,487

6. DEBTORS

	2017	2016
	£	£
Amounts falling due within one year		
Trade debtors	37,460	37,460
Other debtors	8,749	8,747
Directors current account	126,764	126,764
	172,973	172,971

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Payments received on account	119,350	121,273
Bills of exchange payable	14,847	7,369
Accruals	875	10,392
	135,072	139,034

8. SHARE CAPITAL

	2017	2016
	£	£
Allotted, issued and fully paid:		
300000 ORDINARY SHARES of £ 1 each	300000	300000
	300,000	300,000

Standard Exchange Company (UK) Limited

9. PROFIT AND LOSS RESERVE

	2017	2016
Opening Balance	(171,112)	(161,084)
(Loss) / Profit for the Year	(53,049)	(10,028)
Closing Balance	(224,161)	(171,112)

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.

Trading and Profit & Loss Account

For the year ended 31 December, 2017

		2017		2016
		£		£
Turnover		118,969		229,668
Cost of Sales:				
Gross Profit		118,969		229,668
		118,969		229,668
Less:				
Distribution costs	2,775		2,117	
Administrative expenses	169,243		237,579	
		172,018		239,696
Net loss for the year before taxation		(53,049)		(10,028)
Net loss for the year after taxation		(53,049)		(10,028)
Retained losses brought forward		(171,112)		(161,084)
Retained losses carried forward		(224,161)		(171,112)
This page does not form part of the Company's Statutory Accounts and is prepared for the information of the Directors only				

Distribution Costs:

Travel

Administrative Expenses:

Rates

Heat and light

Cleaning

Repairs and renewals

Wages - regular

Pension contributions

Staff welfare

Training

Accountancy fees

Professional fees

Consultancy fees

Legal costs (revenue)

Auditors fees

Insurance

Stationery & office supplies

Technical library

Telephone

Subscriptions

Trade literature

Bank charges

Sundry expenses

Depreciation and Amortisation:

Depreciation of short leasehold properties

Depreciation of plant and machinery

Depreciation of fixtures and fittings

This page does not form part of the Company's Statutory Accounts and is prepared for the information of the Directors only.

Amount in £	
31.12.2017	31.12.2016
1,750	1,310
1,025	807
2,775	2,117
50,356	48,817
1,461	3,116
1,404	1,572
730	3,971
54,535	65,287
311	-
627	1,261
2,075	565
3,500	3,500
-	5,360
-	2,750
840	12,135
-	2,400
1,419	-
1,388	1,557
760	439
1,680	863
620	758
-	425
41,339	67,537
	8,184
2,661	2,661
1,392	1,740
2,145	2,681
169,243	237,579

STANDARD CO (USA) INC. FINANCIAL INFORMATION

STANDARD CO.(USA) INC. D/B/A: STANDARD EXPRESS

Financial Statements

For the Year Ended 31 December 2017

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. 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 168-15 Hillside Avenue Jamaica, NY -11432

Ozone Park mBranch 75-15 101 Avenue Ozone Park, NY 11416

Brooklyn Branch 487 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, 2017

Directors present their report and the financial statements for the year ended 31st December 2017.

Principal Activity

The principal activity of the company in the period under review was that of money transfer

Directors

Kazi Akram Uddin Ahmed, Mamun-Ur-Rashid and Mohammed A Malek have held office for the year ended 2017 .

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, 2017

	Dec 17 \$		Dec 16 \$	
INCOME				
Commission	259,124.00	-	201,629.99	-
Exchange Gain	1,018,136.47	-	951,723.62	-
Interest Income	2,659.59	-	5,518.96	-
Other Income	13,523.25	-	613.80	-
Total Income	1,293,443.31	-	1,159,486.37	-
Total Expenses	1,273,975.67	-	1,092,979.24	-
Operating Profit/(Loss)	19,467.64	-	66,507.13	-
Profit/(Loss) on Ordinary Activities Before Tax	19,467.64	-	66,507.13	-
Tax on profit on ordinary Activities				
Profit/(Loss) on Ordinary Activities After Tax	19,467.64	-	66,507.13	-
Dividends				
Retained profit/(Loss) for the Year	19,467.64	-	66,507.13	-
Retained profit/(Loss) Brought forward	(114,792.44)	-	(181,299.57)	-
Appropriation Accounts				
Retained profit/(Loss) Carried Forward	(95,324.80)	-	(114,792.44)	-



Authorised Signatory
Accountant



Authorised Signatory
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

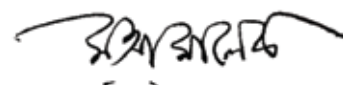
Balance Sheet

As at 31 December, 2017

		Rate 1 USD= Rate 1 USD=		Dec16 Dec17	
	Notes	Dec 17		Dec 16	
		\$	BDT	\$	BDT
Fixed Assets					
Tangible Assets	6	182,880.43	-	156,581.38	-
Current Assets					
Rent Deposits		63,640.00	-	41,090.00	-
Pre-Paid Expense		6,835.47	-	9,066.21	-
Suspense Account(Money theft In Brooklyn Branch)			-	19,171.92	-
Accounts Receivables		3,245.00	-		-
Deferred Expense-Preliminary Expense		76,101.26	-	83,742.26	-
Cash at Bank and in hand		1,964,071.06	-	1,128,864.78	-
		2,113,892.79	-	1,281,935.17	-
Creditors					
Amounts falling due after more than one year	7	992,098.02	-	153,308.99	-
Net Current Assets (Liabilities)		1,118,549.77	-	1,109,454.26	-
Total Assets less Liabilities		1,304,675.20	-	1,285,207.56	-
Capital and Reserves	8				
Paid up Capital (Capital Reserves)		1,400,000.00	-	1,400,000.00	
Retained Profit and Loss Account		-95,324.80	-	-114,792.44	
Shareholders' Equity		1,304,675.20		1,285,207.56	
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.
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Jackson Heights, NY 11372
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STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Notes to the Monthly Accounts

For the year ended 31 December, 2017

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

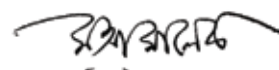
Total income comprises the value of commissions earned, exchange gains and interest earned on Habib bank CD Accounts.

3- Operating Profit/(Loss)

	Dec 17	Dec 16
Depreciation	38,689.69	43,576.08
Amortization Expense	7,641.00	7,641.00
	46,330.69	51,217.08
4. Salary and Wages	Dec-17	Dec-16
Total Salary and wages	434,178.88	401,687.50
	434,178.88	401,687.50
Taxation	Dec-17	Dec-16
\$ USA current period taxation		



Authorised Signature
Accountant



Authorised Signature
President & CEO

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STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Notes to the Accounts

For the year ended 31 December, 2017

Dec16

Dec17

6. Fixed Asset	Land & Building	Fixure & Fittings	Plant & Machinery	TOTAL	
	\$	\$	\$	BDT	
Cost					
At 1st Jan 2017	-	235,291.90	104,715.44	340007.34	-
Additions	-	92,000.00	5,125.40	97125.40	-
Disposals	-	32,136.66		32136.66	-
At 31st Dec,2017	-	295,155.24	109,840.84	404996.08	-
Depreciation					
At 1st Jan 2017	-	90,659.70	92,766.26	183425.96	-
Additions					
Disposals	-		-	0.00	-
Charge for This year 2016	-	25,445.11	13,244.58	38689.69	-
At 31st Dec,2016	-	116,104.81	106,010.84	222115.65	-
NBV at 31st Dec 2017		179,050.43	3,830.00	182880.43	0.00
7. Creditors: Amounts falling due within one year	-	Dec-17	BDT	Dec-16	BDT
	-	\$		\$	
Sub Lease Security Deposit	-	4,800.00	-		-
Salaries & Wages Payable	-	32,960.32	-	29,445.93	-
Payable to Parent Company		791,782.77	-	47,908.86	-
Payroll withholding and Tax payable		9,020.93	-	9,198.20	-
Remittance Payable		153,534.00	-	66,756.00	-
	-	992,098.02	-	153,308.99	-
8.Paid up Capital					
Opening Share Capital		1,400,000.00	-	1,400,000.00	-
Addition for the Period		-	-	-	-
Retained Profit(Loss)		(95,324.80)	-	(114,792.44)	-
Share Capital at Balance Sheet date		1,304,675.20	-	1,285,207.56	-

9. Ultimate Parent Company

The parent company is Standard Bank Ltd. (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. HAJUE, CPA, P.C.

K.M. HAJUE, CPA, P.C.
Certified Public Accountant
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Jackson Heights, NY 11372
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STANDARD CO.(USA) INC. D/B/A STANDARD EXPRESS

Detailed Profit and Loss Accounts

For the year ended 31 December, 2017

	Dec17		Dec 16	
	\$	\$	\$	\$
Turnover				
Commission	259,124.00		201,629.99	
Exchange Gains-Standard Bank	982,987.09		915,318.88	
Exchange gain-Agrani Bank	6,677.11		7,605.20	
Exchange Gains-Uttara Bank	9,321.44		10,882.20	
Exchange Gain-Dutch Bangla Bank	15,668.24		15,846.84	
Exchange Gain-Pubali Bank	3,482.59		2,070.50	
Interest Income	2,659.59		5,518.96	
Other Income	13,523.25		613.80	
		1,293,443.31		1,159,486.37
Administrative expenses				
Advertisement & publicity	21,280.00		19,105.00	
Amortization Expense	7,641.00		7,641.00	
Armoured Services	30,583.62		32,598.93	
Assesment Fees to NYSBD	20,307.00		19,003.65	
Assesment Fees to CA DBO	2,793.00		2,694.00	
Bank Service Charges	101,974.18		86,768.50	
Bond Premium- CA Branch	3,750.00		3,750.00	
CA Payroll Tax	1,121.20		1,214.80	
Customer's Meeting	1,078.75			
Cleaning	9,374.47		9,717.91	
Depreciation	38,689.69		43,576.08	
Director Honorarium	6,000.00		2,000.00	
Examination Fee			21,496.40	
Employee Travel Per diem	714.00			
Incidental Loss	22,539.92		19,692.04	
Festival Bonus	17,000.00		17,000.00	
Insurance Expense	30,545.86		27,823.36	
Loss of Asset Disposal	32,136.66			
Licensing Fee	475.00			
Meal and Entertainment	8,176.67		6,677.36	
Hotel and Accommodation	3,403.79		275.75	
Moving and transportation	1,500.00			
Office Expense	2,833.22		1,704.32	
Office Supply	28,575.86		15,590.39	
Payee Service Fee-Agrani Bank	876.89		1,985.94	
payee Service Fee-Pubali Bank	819.14		633.17	
Payroll-Salary	434,178.88		401,687.50	
Postage and Delivery	623.34		436.69	
Payroll-Taxes IRS	34,515.29		32,029.72	
Payroll-Tax FUTA	992.73		857.47	
Payroll-Taxes NYS	2,130.95		3,293.21	
Corporation Tax-State	13,939.43		6,056.72	
Printing & Design	2,000.00		3,710.00	
Promotional & Flier Distribution	70.00		895.00	
Professional Fees	18,136.00		24,004.25	
Real Estate Tax	2,900.00		2,732.00	
Real Estate Brooker Fee	10,000.00			
Rent	259,430.45		201,095.28	
Security Expense	10,154.31		8,144.40	
Software Lease	15,345.15		18,500.00	
Repair & Maintanace	16,349.14		5,105.93	
Telephone & internet	22,719.64		17,319.87	
Travel & Conveyance	15,575.50		11,250.38	
Utilities	20,724.94		14,912.22	
		1,273,975.67		1,092,979.24
Net profit/Loss for the Period Ended Dec 31, 2017		19,467.64		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 31.12.2017**

SL	Particulars	Amount in USD	BDT
A.	Property and Assets	2,296,773.22	-
01	Cash in Hand	680,635.55	-
02	Balance with Central Bank		
03	Balance with Other Banks	1,283,435.51	-
04	Prepaid Expenses	6,835.47	-
05	Other Receivables (Accounts receivable)	3,245.00	-
06	Money at call and short notice		
07	Loans and advances (Rent Deposit)	63,640.00	-
08	Suspense Account (Money Theft in Brooklyn Branch)		
09	Fixed Assets	182,880.43	-
10	Head Office General Account		
11	Others (Preliminary expenses)	76,101.26	-
B.	Liabilities	992,098.02	-
01	Money at call & short notice		
02	Accrued Expenses (Payroll-Salary payable)	32,960.32	-
03	Other Payables (Payroll withholding & tax payable, Remittance payable)	167,354.93	-
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)	791,782.77	-
10	Loan from Holding Co.		
C.	Net Assets (A-B)	1,304,675.20	-
01	Owners' Capital	1,400,000.00	-
02	Retained Profit & Loss	-95,324.80	-
D.	Owners Fund	1,304,675.20	-




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.
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
2. **Imamgonj Branch** **Imamgonj Branch**
Bellal Market,
79, Moulvibazar, Dhaka-1100.
(M) 01711648615, 01911093132
(2nd Man) 01819434858
7316820, 7342525, 7311243
imgmanager@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
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
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
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
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
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
9. **Takerhat Branch** **Takerhat Bazar Branch**
UP Road, Takerhat Bazar, Rajoir,
Madaripur
(M) 01712-599795
(2nd Man) 01720093904,
01712757967
tkhmanager@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
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
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	Ekorja (Keranigonj) Branch	Ekorja (Keranigonj) Branch (Near at China BD Friendship Bridge-1), Hasnabad, Ekorja, 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	Gopalgonj Branch	Gopalgonj Branch City Square Shopping Mall, College Road, Gopalgonj 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	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
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	35	Ashkona Branch	Ashkona Branch 247 Dana Plaza, Ashkona, Dakkhinkhan, Dhaka 1230. (M) 01715 366786 (2nd Man) 01715298460 02-8961823, 025-8951540, 025-8961830 sultanabl@gmail.com ashkmanager@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@stadndardbankbd.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
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	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
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	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
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	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
33	Nawabgonj Branch	Nawabgonj Branch Nawabgonj Adhunik Biponi, Zilla Parishad Market, Nawabgonj, Dhaka. (M) 01716-339111 (2nd Man) 01732 997850 nbgmanager@standardbankbd.com	40	Bhojeshwar Branch	Bhojeshwar Branch Shahnour Shopping Complex (1st floor), Bhojeshwar Bazar, College Road, Naria, Shariatpur. (M) 01720939040 (2nd Man) 01913 362545 bhojeswar@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, Hemayetur, 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, Araihaazar, 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 nangolmora@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,Hourbource 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, Chorphathorghata, 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, Baka-lia, 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, Banskhal, 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, Muradnagar (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

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

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|-----|----------------------------------|--|------|-------------------------------|--|
| 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 | 100. | 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 |
| 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 | 101. | Hatikumrul Branch | Hatikumrul Branch
Sabuj Bilab Super Market (1st floor), Hatikumrul Goal Chatter, Ullapara, Sirajgonj

(M) 01730300730
(2nd Man) 01818267237
07532-51292 / 51293
hatimanager@standardbankbd.com
hatikumrul@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 | 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 |
| 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 | 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 |
| 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 | 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 |
| 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 | 105. | Pirgonj Branch | Pirgonj Branch
Muktiyoddha 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

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

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

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

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
suji_4033@yahoo.com
biswanath@standardbankbd.com

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

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

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

951484 & 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 1**

Shahajalal International Airport,
Dhaka, Bangladesh

01717-575020, 01755619112

02 **Foreign Currency Exchange Booth 2**

Shahajalal International Airport,
Dhaka, Bangladesh

01717-575020, 01755619112

Standard Bank Limited

Opening of new branches in the year 2017

DHAKA ZONE

- | | |
|--|--|
| <p>1. Islampur Branch</p> <p>Islampur Branch
Textile Center, 12 Islampur Road,
Dhaka</p> <p>02-57396940
(M) 01914201580
Islampur @ standardbankbd.com</p> | <p>4. Bhulta Branch</p> <p>Bhulta Branch
Rabel Al- Hasan Shopping Center (2nd
Floor)
Bhulta Bus-Stand, Narayangonj</p> <p>(M) 01716222146
bhulta@standardbankbd.com</p> |
| <p>2. Tongi Branch</p> <p>Tongi Branch
Amin Bhaban, 12 Chearg Ali Market
Tongi, Gazipur</p> <p>Tel-9810622-3
(M) 01819289518
tongimanager@standardbankbd.com</p> | <p>5. North South Road Branch</p> <p>North South Road Branch
43/44, Malitola Road, Dhaka</p> <p>Tel 9592551
(M) 01712620556
northsouth@standardbankbd.com</p> |
| <p>3. Narsingdi Branch</p> <p>Narsingdi Branch
Jewellery potti, Kalibari Road,
Harsindgi Sadar,
Narsingdi</p> <p>Tel- 029451807, Tel- 029451808
(M) 07175228818
narsingdi@standardbankbd.com</p> | <p>6. Kashiani Branch</p> <p>Kashiani Branch
Abdus Samad Market (1st Floor) Chow-
rasta Moor,
Thana Roar Kashiani Bazar, Gopalganj</p> <p>Tel- 06652-56255
(M) 01721-097008
kasiani@standardbankbd.com</p> |

CHITTAGONG ZONE

- | | |
|---|---|
| <p>7. Jamal Khan Road Branch</p> <p>Jamal Khan Road Branch
370/A-378, Moitree bhaban (1st
Floor),
Chittagong</p> <p>Tel- 031-2854274
(M) 01713375810
jamalkhan@standardbankbd.com</p> | <p>9. Bagichahat Branch</p> <p>Bagichahat Branch
Bilkis Super Market (1st Floor),
8 Hasimpur, Chittagong</p> <p>(M) 01717161469
(M) 01701221921
bagichahat@standardbankbd.com</p> |
| <p>8. Shakpura Branch</p> <p>Shakpura Branch
Noor Plaza (1st Floor) Shakpura,
Chowmohoni Boalkhali, Chittagong</p> <p>(M) 01972-307543
(M) 01701221918
shakpura@standardbankbd.com</p> | |

RANGPUR ZONE

- | | |
|--|--|
| <p>10. Mohadevpur Branch</p> <p>Mohadevpur Branch
Shafali Market, Mach chatter,
Naogaon</p> <p>Tel- 07426775010-11, 01727700925
mohadevpurmanager@standard-
bankbd.com</p> | |
|--|--|

[illegible]

This image shows a full page of a handwriting practice worksheet. It consists of multiple rows of horizontal dashed lines spaced evenly down the page, providing a guide for letter height and placement. The background is plain white, and there are no margins or additional markings.

Proxy Form

I/ We
of
as my/our proxy, to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday, the 10th May 2018 at 12:00 p.m. at the Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka and or at any adjournment thereof.
In witness my hand thisday of.....2018.

(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 19th Annual General Meeting of the Company being held on Thursday, the 10th May 2018 at 12:00 p.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