Standard Chartered Bank

Bangladesh Branches

Financial Statements 2020

Independent auditor's report

Independent auditor's report to the management of Standard Chartered Bank, **Bangladesh Branches**

Report on the audit of the financial statements

express any form of assurance conclusion thereon

We have audited the financial statements of Standard Chartered Bank, Bangladesh Branches (the "Bank") which comprise the balance sheet as at 31 December 2020 and profit and loss account, cash flow statement and statement of changes in equity for the year then ended, summary of significant accounting policies, other explanatory notes and annexures thereto.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 3 and comply with the Bank Company Act, 1991 (as amended up to date), rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and requirements of Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Management is responsible for the other information. The other information comprises all the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and those charged with governance for the financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note # 3, 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. The Bank Companies Act 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions

Report on other legal and regulatory requirements

date) and the rules and regulations issued by Bangladesh Bank, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities section in forming the above opinion on the financial statements 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 Responsibilities for the financial statements and internal control:
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities section in forming the above opinion on the financial statements 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 Responsibilities for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the
- (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements:
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns:
- (vii) the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(vi) the expenditures incurred were for the purpose of the Bank's business for the year;

- (viii) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,700 person hours; and (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been
- maintained adequately during the year.

Grill The Mohammed Hamidul Islam

Balance Sheet Standard Chartered Bank **Bangladesh Branches**

Balance Sheet

as at 31 Dece	as at 31 December 2020			
PROPERTY AND ASSETS	Notes	<u>2020</u> T <u>aka</u>	2019 T <u>aka</u>	
Cash Cash in hand (including foreign currencies) Balances with Bangladesh Bank (including foreign currenci Sonali Bank as an agent of Bangladesh Bank (local currence)	,	4,436,744,792 48,079,378,333 - 52,516,123,125	4,034,100,121 23,065,076,539 - 27,099,176,660	
Balance with other banks and financial institutions Inside Bangladesh Outside Bangladesh	7	213,016,349 36,608,623,301 36,821,639,650	613,820,866 32,103,775,021 32,717,595,887	
Money at call and short notice	8	-	-	
Investments Government securities Other investments	9	117,344,268,024 18,000,000 117,362,268,024	67,299,025,818 18,000,000 67,317,025,818	
Loans and advances	10			
Loans, cash credit, overdrafts, etc. Bills purchased and discounted	11	201,318,740,934 14,908,984,211 216,227,725,145	220,519,693,080 30,239,146,094 250,758,839,174	
Fixed assets including premises, furniture and fixtures	12	2,143,768,156	2,064,342,357	
Other assets	13	6,273,765,882	6,759,112,505	

LIABILITIES AND CAPITAL

Liabilities

Non banking assets

Borrowings from other banks, financial institutions and agents	14	16,019,840,499	10,984,873,519
Deposite and other associate	15		
Deposits and other accounts	15	100 055 550 000	04 554 600 604
Current and other accounts		129,255,552,832	91,551,680,601
Bills payable		2,075,654,967	2,362,731,510
Savings deposits		85,720,177,119	75,905,193,687
Term deposits		50,440,255,249	62,286,867,480
Short term deposits		17,056,811,988	20,949,035,226
Other deposits (payable on demand)		9,868,674,144	9,321,126,127
Islamic- Al-Wadeeah Current Account Deposits Islamic-Bills payable		1,345,037,394	947,821,149
Islamic-Mudaraba Savings Deposits		11,301,304,580	8,778,469,806
Islamic-Mudaraba Term Deposits		3,944,787,094	7,531,432,503
Islamic-Mudaraba Special Notice Deposits		67,064,150	37,249,523
Islamic-Other deposits		100,573,215	63,692,793
		311,175,892,732	279,735,300,405
Other liabilities	16	35,817,975,574	31,663,954,807
Total liabilities		363,013,708,805	322,384,128,731
Equity			
Fund deposited with Bangladesh Bank	5.1	2,359,550,596	2,361,728,445
Other reserves	17	480,748,431	630,784,737
Profit and loss account balance	18	65,491,282,149	61,339,450,489
Total equity		68,331,581,176	64,331,963,670
Total liabilities and equity		431,345,289,981	386,716,092,402
		,,,	,,,

431,345,289,981

386,716,092,402

OFF-BALANCE SHEET ITEMS

Contingent liabilities	2
Acceptances and endorsements	
Letters of guarantee	
rrevocable letters of credit	
Bills for collection	

Undrawn formal standby facilities, credit lines and other commitments

Total off-balance sheet items

335.663.119.794 The accompanying notes 1 to 30 form an integral part of these financial statements.

A. Qasem & Co. Registration No: PF 1015

thill the

Enrolment No: 912 DVC No: 2102250912AS428829

Statement of Changes in Equity

Place of Issue: Dhaka Dated: 25 February 2021

Naser Ezaz Bijov

39,404,568,215

47,195,450,262 15,256,083,496

237,466,794,446

18.777.161.268

52.174.991.785

289.641.786.231

160,732,883,601 57,651,070,698 18,739,039,482

276,527,561,995

20,233,445,069

38,902,112,731

59.135.557.799

Md Abdul Kader Joaddar Chief Financial Officer, Bangladesh

Profit and Loss Account

Standard Chartered Bank Bangladesh Branches **Profit and Loss Account**

for the year ended 31 December 2020

, ,			
		<u>2020</u> Taka	<u>2019</u> Taka
	<u>Notes</u>		
Interest income	19	18,858,977,691	22,304,391,822
Interest expense on deposits and borrowings Net interest income	20	3,667,643,215	4,971,295,719
Net litterest income		15,191,334,476	17,333,096,103
Income from investments	21	4,960,930,923	2,145,265,962
Commission, exchange and brokerage income	22	7,256,928,673	8,498,125,260
Other operating income	23	(579,187)	8,021,863
		12,217,280,408	10,651,413,085
Total operating income		27,408,614,884	27,984,509,188
Salaries and allowances		4,377,300,395	4,595,348,405
Rent, taxes, insurance, electricity etc.		240,948,089	325,062,093
Legal expenses		59,456,793	79,123,819
Postage, stamp, telecommunication etc.		166,547,795	208,356,777
Stationery, Printings, Advertisements etc.		164,240,251	313,568,893
Chief executive officer's salary Auditors' fees		48,467,852 1,150,000	40,465,314 1,150,000
Repair, maintenance and depreciation	24	728,965,220	653,294,862
Other expenses	25	937,642,683	1,115,917,700
Total operating expenses		6,724,719,078	7,332,287,863
Profit before provision		20,683,895,806	20,652,221,325
Profit before provision		1,203,863,339	1,275,380,667
Provision for loans and advances and off-balance sheet exposures Total profit before income tax	16.1	19,480,032,467	19,376,840,658
Total profit before moonie tax		10,100,002,101	10,010,010,000
Provision for income tax			
Current tax	16.4	5,879,053,788	5,645,827,851
Deferred tax		(73,568,992)	905,085,695
		5,805,484,796	6,550,913,546
Net profit after tax		13,674,547,671	12,825,927,112
The accompanying notes 1 to 30 form an integral part of these	e financial sta	atements.	_
A. Qasem & Co.			
Chartered Accountants		124	
Registration No: PF 1015		Nasor F	zaz Bijoy
Gride Str			fficer, Bangladesh
Mohammed Hamidul Islam		_1 /	\cap
Partner Enrolment No: 912		710	\mathcal{M}
DVC No: 2102250912AS428829		Mal Ababit	der leedder
Place of Issue: Dhaka Dated: 25 February 2021			ader Joaddar ficer, Bangladesh

Cash Flow Statement

A) Cash flows from operating activities

Recovery from previously written off loan

Commission, exchange and brokerage income received

Interest paid

Other income

Dividend income

Standard Chartered Bank **Bangladesh Branches** Cash Flow Statement

for the year ended 31 December 2020 2020

Cash paid to employees Cash paid to suppliers Income tax paid Operating cash flows before changes in operating assets and liabilities	(4,612,693,048) (1,765,218,237) (5,303,627,345) 84,799,193,796
Increase / decrease in operating assets and liabilities Money at call and short notice Loans and advances to customers Other assets Customer deposits Borrowing from other banks and financial institutions Other liabilities	34,531,114,030 (1,767,810,360) 31,440,592,288 5,034,966,979 1,946,502,492 71,185,365,469
Net cash received from / used in operating activities B) Cash flows from investing activities Income from investments Investment in securities Proceeds from disposal of fixed assets Purchase of fixed assets Net cash received from investing activities	84,799,193,796 4,691,828,371 50,045,242,206) (160,838,945) (45,514,252,780)
C) Cash flows from financing activities Profit remitted to head office Repo with Bangladesh Bank Payments for lease liability Net cash used in financing activities D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	(9,515,516,471) (239,056,926) (9,754,573,397) 29,530,367,619
b) Net increase / (decrease) in cash and cash equivalents (A+b+c)	29,000,007,019

G) Closing cash and cash equivalents (D+E+F) (Note - 26) The accompanying notes 1 to 30 form an integral part of these financial statements

E) Effects of exchange rate changes on cash and cash equivalents

Registration No: PF 1015 Grill Sh Mohammed Hamidul Isla Partner Enrolment No: 912 DVC No: 2102250912AS428829

Place of Issue: Dhaka Dated: 25 February 2021

F) Opening cash and cash equivalents

59,816,772,547 116,303,146,349 89,337,762,773 59,816,772,547 Naser Ezaz Bijoy

2019

Taka

22,500,000

7,990,351,374 8,021,863

(5,487,340,006) (1,496,813,311)

(4.924.034.038

(26,138,836,303)

3,286,488,980

(20 766 330 585

(14,900,643,377

(39,380,067,476)

(26,138,836,303)

1,733,386,288

(250,061,571)

(24,846,518,347)

(5.091.000.000)

(180,674,463)

(5,271,674,463)

(56,257,029,113)

(229,344,689)

(426,836,591

158,216,261

22.031.895.327

Taka

21.536.792.748

22,500,000

79.535.265 ,612,693,048) ,765,218,237)

(9,377,393)

7,299,544,743

Md Abdul Kader Joaddar

Standard Chartered Bank **Bangladesh Branches**

Statement of Changes in Equity for the year ended 31 December 2020

	Amount in Taka			
Particulars	Fund deposited with Bangladesh Bank	Other reserve	Profit and Loss account balance	Total
	Taka	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as at 1 January 2020	2,361,728,445	630,784,737	61,339,450,488	64,331,963,671
Revaluation of foreign currency	(2,177,849)	-	(7,199,544)	(9,377,393)
Actuarial gain net-off deferred tax	-	(607,530,110)	-	(607,530,110)
Equity reserve - amortised discount on Held to Maturity (HTM) securities	-	57,443,158	-	57,443,158
Net profit for the year	-	-	13,674,547,674	13,674,547,674
Profit remitted to Head Office	-	-	(9,515,516,471)	(9,515,516,471)
Revaluation reserve account- Held for Trading (HFT) securities	-	400,050,646	-	400,050,646
Balance as at 31 December 2020	2,359,550,596	480,748,431	65,491,282,147	68,331,581,175
Balance as at 1 January 2019	2,339,505,496	(114,055,243)	53,856,091,013	56,081,541,267
Revaluation of foreign currency	22,222,949	-	(251,567,639)	(229,344,689)
Actuarial gain net-off deferred tax	-	690,086,421	-	690,086,421
Equity reserve - amortised discount on Held to Maturity (HTM) securities	-	98,612,005	-	98,612,005
Net profit for the year	-	-		12,825,927,113
Profit remitted to Head Office	-	-	12,825,927,113	(5,091,000,000)
Revaluation reserve account- Held for Trading (HFT) securities	-	(43,858,446)	(5,091,000,000)	(43,858,446)
Balance as at 31 December 2019	2,361,728,445	630,784,737	61,339,450,488	64,331,963,671

Md Abdul Kader Joaddai

Chartered Accountants Registration No: PF 1015 thill the

Place of Issue: Dhaka



Dated: 25 February 2021

Standard Chartered Bank **Bangladesh Branches**

Notes to the Financial Statements as at and for the year ended 31 December 2020

1.0 The Bank and its activities

1.1 Name of the bank

Standard Chartered Bank (SCB), Bangladesh Branches ('the bank') commenced its banking operations in Bangladesh in 1948 after obtaining licence from the Central Bank of Bangladesh. SCB is incorporated in England with limited liability by Royal Charter 1853. The Head Office of the bank is situated in England at 1 Basinghal Avenue, London EC2V5DD and Bangladesh country head office is situated at 67 Gulshan Avenue, Dhaka -1212.

SCB also operates an Offshore Banking Unit (OBU) after obtaining banking licence from Bangladesh Bank on 20

1.2 Islamic Banking Window
On 18 November 2003, the Bank received permission from Bangladesh Bank to provide Islamic banking services. The Bank commenced providing such services from 26 February 2004 on Islamic Shariah principles based banking which is governed by the SCB Shariah Supervisory Committee based in Dubai.

2.0 Principal activities of the Bank

SCB offers a comprehensive range of financial services in Bangladesh including retail banking and wealth management, commercial banking, corporate and institutional banking, financial markets, global trade and trade services, cash management, securities custodial services, etc. There have been no significant changes in the nature of the principal activities of the Bank during the financial year under review.

- 3.0 Basis of preparation of Financial Statements
- 3.1 Reporting period & Approval of financial statements

The financial statements cover a calendar year from 1 January 2020 to 31 December 2020. The financial statements are authorized for issue by management of the Bank on **24 February 2021.**

3.2 Statement of compliance and basis of preparation

The Financial Reporting Act 2015 (FRA) was enacted in 2015 and the Financial Reporting Council (FRC) was formed in 2017 under the FRA. The FRA, among other things, issues financial reporting standards in line with International Financial Reporting Standards (IFRS) for public interest entities including Banks. The Bank Companies Act 1991 was amended incorporating the requirement for banks to prepare their financial statements

The financial statements of the Bank as at and for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the FRC and the requirements of The Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank (BB) and the Companies Act 1994. The Securities and Exchange Rules 1987 is not mandatorily applicable for non-listed foreign banks in Bangladesh. In case any requirement of the Bank Company Act 1991 and provisions and circulars issued by the central bank (herein after called Bangladesh Bank (BB)) differ with those of IFRS, the requirements of the Bank Company Act 1991 and provisions and circulars issued by BB shall prevail.

other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) respectively. Pursuant to BRPD Circular No. 02 dated 25 February 2019, financial statements of the bank have been prepared

The financial statements of the Bank have been prepared in accordance with the "First Schedule (sec-38)" of The Bank Company Act 1991 as amended therein 2007, 2013 and 2018, BRPD Circular no. 14 dated 25 June, 2003,

on solo basis from 2019 where OBU information has been included in equivalent Bangladeshi Taka (BDT) denomination. However, key financial statements of OBU have been provided in Annexures to the solo financial

Material departures from the requirements of IAS and IFRS are as follows:

IFRS: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, statement of changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and 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, statement of changes in equity liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of The Bank Company Act 1991 (amendment up to 2018) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii) Investment in shares and securities

IFRS: As per requirements of IFRS 9, investment in shares and securities generally falls either under at Fair Value Through Profit and Loss (FVTPL) or Fair Value Through Other Comprehensive Income (FVOCI) where any change in the fair value (as measured in accordance with IFRS 13 Fair Value Measurement) 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 anquoted 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.

iii) Revaluation gains / losses on Government securities

IFRS: As per requirement of IFRS 9, where securities fall under the category of Held for Trading (HFT), any change in the fair value of held for trading securities 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 in the profit and loss account.

Bangladesh Bank: As per DOS circular no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009, HFT securities are revalued on the basis of marking 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 as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount is 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 changes in amortisation are recognised in other reserves as a part of equity.

iv) Repo and reverse repo transactions

IFRS: As per IFRS 9, when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (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 asset is derecognised in the seller's book and recognised in the buyer's book.

However, as per DMD circular letter no. 07 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

v) Provision on loans and advances

IFRS: As per IFRS 9, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014. BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020, a general provision at 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses loans has to be provided at 5% to 20%, 5% to 50% and 100%, respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0% to 1% is required to be provided for all off-balance sheet exposures. Such provision policies ecifically in line with those prescribed by International Financial Reporting Standards (IFRS) 9:

vi) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 and interest income is recognised through effective interest 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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, 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.Financial

vii) Other comprehensive income

IFRS: As per IAS 1 Presentation of Financial Statements Other Comprehensive Income (OCI) is a component ents or the elements of OCI are to be included in a single Other Co

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are to be followed by all banks. The templates for financial statements issued by Bangladesh Bank do not include OCI nor are the elements of OCI allowed to be included in a single other comprehensive income 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. viii) Financial instruments - presentation and disclosure

Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in International Financial Reporting Standards (IFRS) 9: Financial Instruments and IFRS 7 Financial Instruments: Disclosures. As such full disclosure and presentation requirements of IFRS 7 is not made in the financial statements.

ix) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognised initially at fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantees 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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee etc. are reported as off-balance sheet items.

x) Cash flow statement

IFRS: As per IAS 7 Statement of Cash Flows, 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 most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and

xi) Off-balance sheet items

IFRS: As per IFRS there is no requirement for disclosure of off-balance sheet items on the face of the

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off-balance sheet items (e.g. letter of

xii) Loans and advances net of provision

Notes to the Financial Statements

IFRS: Loans and advances shall be recognised net of impairment loss as per IFRS 9.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances is presented separately as liability and cannot be netted off against loans and advances

- The financial statements of the Bank have been prepared on historical cost basis except for the following:
- Government treasury bills and bonds designated as HFT and subsequently measured at fair value using
- marking to market concept with gains credited to revaluation reserve as per DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009; and Government treasury bills and bonds designated as HTM and subsequently measured using amortisation concept as DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009.
- Net defined benefit (asset) liability in respect of defined benefit plan recognised as the present value of defined benefit obligation less fair value of plan assets as per IAS 19 Employee Benefits.

According to IAS 21 The Effects of Changes in Foreign Exchange Rates, transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the

Monetary assets, liabilities and fund deposited with Bangladesh Bank as capital denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the profit and loss account except for exchange rate differences on funds deposited with Bangladesh Bank as capital, which is recognised directly in

3.5 Functional and reporting currency

The financial statements of the Bank are presented in Bangladeshi Taka (Taka/Tk/BDT) which is the Bank's functional and reporting currency. The functional currency of the Bank Off-shore Banking Unit (OBU) is United States Dollar (USD). Financial statements of the Off-shore Banking Unit (OBU) have been translated into the presentation currency, i.e. Bangladeshi Taka (Taka/Tk/BDT), following the guidelines of IAS 21: The Effect of Changes in Foreign Exchange Rates.

3.6 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised and in any future periods affected In particular, information about significant areas of estimation, uncertainty and critical judgements in applying

accounting policies that have the most significant effect on the amounts recognised in the financial stater described below: Provisions for loans and advances
The Bank assesses its loans and advances for objective evidence of impairment on a regular basis and particularly

at year end. While the primary criteria set out in BRPD circular no. 14 dated 23 September 2012, BRPD circular

an o. 03 dated 21 April 2019 and BRPD circular no. 16 dated 21 July 2020 for determining whether a loan is impaired are objective, based on borrower's ability to make timely repayments, loans and advances may also be classified based on qualitative judgement. This involves making assessments regarding the economic environment in which borrower's operate in addition to making judgements about a borrower's financial condition and net realisable value of any underlying collateral.

The estimation of current tax provision involves making judgements regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes. In addition, the recognition of deferred tax assets requires the Bank to estimate the extent to which it is probable

that future taxable profits will be available against which the deferred tax assets may be utilised Net defined benefit (asset) liability under defined benefit plan The determination of the Bank's net defined benefit (asset) liability in respect of defined benefit plan involves the

use of estimates regarding demographic variables such as employee turnover and mortality and financial variables such as discount rate, future increases in salaries and medical costs that will influence the cost of the benefit.

These financial statements have been prepared on the assessment of the Bank's ability to continue as a going concern. Standard Chartered Bank, Bangladesh has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters including liquidity, profitability, asset quality, provision sufficiency and capital adequacy, credit rating of the Bank continued to exhibit a healthy trend for couple of years. Besides, the management is not aware of any material uncertainties that may

cast significant doubt upon the Bank's ability to continue as a going concern.

3.8 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the basis of residual maturity term which has been given in the statement

All balances of all branches (including Offshore Banking Unit (OBU) branch and Islamic Banking Window (Saadig)

4.0 Significant accounting policies

4.1 Assets

4.1.1 Investments

Investments in treasury bills and Government bonds are accounted for in accordance with DOS Circular Letter No. 05 dated 26 May 2008 subsequently amended by DOS circular letter no. 05 dated 28 January 2009, which allow banks to use both HTM and HFT securities for fulfilment of Statutory Liquidity Reserve (SLR) requirements.

In accordance with the requirements of the aforementioned circulars, amortised discount or premium on HTM securities is recognised directly in equity. However, coupon interests are recognised in profit or loss. Gains arising from revaluation of HFT securities on 'Marking to Market' basis are recognised in revaluation reserve account while losses from revaluation of the same securities are recognised in profit or loss.

Bank's investments in unquoted shares are recorded at cost.

of depreciation for the current and comparative periods are as follows:

4.1.2 Fixed assets including premises, furniture and fixtures Items of fixed assets, other than land, are measured at cost less accumulated depreciation and impairment losses,

as per IAS 16 Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. Land is carried at cost.

Subsequent costs The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The cost of day-to-day servicing of fixed assets are expensed when incurred.

Depreciation on premises other than freehold land, and other fixed assets, is recognised in profit or loss on a straight line basis over the expected useful life of the assets based on cost. The estimated useful lives and the rate

	Estimated useful life	Rate of depreciation
Fixed equipment	3 to 15 years	7% - 33%
Computer and office equipment	3 to 7 years	14% - 33%
Furniture and fittings Motor Vehicle	5 years 5 years	20%
IFRS 16 right of use assets (ROU)	1 to 12.5 years	20%
		8% - 100%

Adjustments to accumulated depreciation for disposals / write offs are made up to the month in which the relevant assets are disposed / written off.

An asset is derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset which is recognised as gain or loss from disposal of asset under

4.1.3 Loans and advances to customers

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value, and subsequently measured at amortised cost. These are stated gross with accumulated specific and general provisions for loans and advances being shown under other

Loans are normally written off, when there is no realistic prospect of recovery and classified as 'Bad loan' complying with BRPD circular no. 13 dated 7 November 2013, BRPD circular no. 2 dated 13 January 2003, DFIM Circular letter no. 11 dated 21 November 2013 and BRPD circular no. 01 dated 06 February 2019. Designated units of the bank (GSAM for corporate customers and Credit & Collections for retail customers) monitor loans units of the bank (GSAM for corporate customers and Credit & Collections for retail customers) monitor loans written off and legal action taken against the classified customers. The written-off loans do not undermine or affect the amount claimed against the borrower by the bank. The designated units of the bank maintains a separate record for all individual cases of written-off loans. These units of the bank follow-up on the recovery fforts of the written-off loans and advances until the full settlement of the claimed amount.

4.1.5 Leases

The bank adopted IFRS 16 Leases, which has been approved by the Institute of Chartered Accountants of Bangladesh (ICAB) IFRS 16 replaced IAS 17 Leases

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

January 2019, the bank recognised a lease liability, being the remaining lease payments, including extensions options where renewal is reasonably certain, discounted using the bank's incremental borrowing rate. The corresponding right-of-use asset recognised is the amount of the lease liability adjusted by prepaid or accrued lease payments related to those leases.

The impact of IFRS 16 on the bank is primarily where the bank is a lessee in property lease contracts. On 1

Summary of lease related information under IFRS 16 is provided in the below table: Depreciation/ Accumulated

Particulars	Opening Balance	Net Addition	Interest Expenses	Depreciation/ Lease Payments	Closing Balance
ROU Assets	1,683,114,554	440,019,689	350,914,397	350,097,308	1,773,036,935
Lease Liabilities	983,961,511	319,398,236	80,099,513	235,811,592	1,147,647,668

The asset is presented in 'Fixed assets including premises, furniture and fixtures' and the liability is presented in 'Other liabilities'. Further information on these balances is shown in Notes 12, 16 and 24.

Rental payment including advance adjustment during the year BDT 393,368,732 (2019: BDT 322,826,195)

Notes to the Financial Statements

4.2 Liabilities

4.2.1 Borrowings from other banks, financial institutions and agents
Borrowings from other banks, financial institutions and agents include both interest-bearing borrowings against securities from Bangladesh Bank and other banks, vostro accounts balances and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance

4.2.2 Deposits by customers and banks

Deposits are the Bank's principal source of debt funding. Deposits are initially measured at fair value and subsequently measured at amortised cost

4.2.3 Provisions for other assets

BRPD circular no. 14 dated 25 June 2001 requires a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept.

4.2.4 Provisions on nostro accounts Unsettled debit transactions (as per Bank's book and nostro statements) for more than three months on nostro accounts are reviewed at each balance sheet date by management and provisions are kept in accordance with Bangladesh Bank Foreign Exchange Policy Department, circular no. FEPD (FEMO)/01/2005-677 dated 13

4.2.5 Provisions for liabilities and charges

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an

At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 08 dated 27 September 2017, BRPD circular no. 09 dated 21 June 2018, BRPD circular no. 0 no. 13 dated 18 October 2018, BRPD circular no. 16 dated 21 July 2020, BRPD circular letter no. 52 dated 20 October 2020 and BRPD circular no. 56 dated 10 December 2020. The guidance in the circulars follow a formulaic approach whereby specified rates are applied to the various categories of loans and advances as defined in the circular. The provisioning rates are as follows:

2020

ne as the rates stated above depending on the types of

General provision on:	2020	2019
Unclassified loans under small and medium enterprise financing (SMEF)	0.25%	0.25%
Unclassified loans under housing finance (HF)	1.00%	1.00%
Unclassified loans under loans for professionals (LP)	2.00%	2.00%
Unclassified loans under consumer financing (CF) other than housing		
finance (HF) and loans for professionals (LP)	2.00%	5.00%
Unclassified Loans under Credit Cards (CC)	2.00%	2.00%
Unclassified loans to brokerage houses (BH), merchant banks (MB),		
stock dealers (SD)	2.00%	2.00%
All unclassified loans except under SMEF, HF, LP, CF, BH, MB, SD and		
short-term agricultural and micro-credit scheme	1.00%	1.00%
Unclassified loans under short-term agricultural and micro-credit scheme	1.00%	1.00%
Special General Provision- COVID-19	1.00%	-
Off-balance sheet exposures:		
Acceptances and endorsements	1.00%	1.00%
Letters of guarantee		
Counter guarantee rating-1	0.00%	0.00%
Counter guarantee rating-2	0.50%	0.50%
Counter guarantee rating-3 or 4	0.75%	0.75%
Counter guarantee rating-Other	1.00%	1.00%
Irrevocable letters of credit	1.00%	1.00%
Bills for collection	0.00%	0.00%
Forward contracts	1.00%	1.00%
Undrawn formal standby facilities, credit lines and other commitments	1.00%	1.00%

Specific provision on:	2020	2019
Substandard loans and advances	20%	20%
Doubtful loans and advances	50%	50%
Bad / loss loans and advances	100%	100%
Substandard loans and advances under CMSME	5%	20%
Doubtful loans and advances under CMSME	20%	50%
Bad / loss loans and advances under CMSME	100%	100%
Short-term agricultural and micro-credits:		
Substandard and Doubtful loans and advances	5%	5%
Bad / loss loans and advances	100%	100%

loans kept in the 'Special Mention Account' will be the s

The above rates are the minimum prescribed rates. BRPD circular no. 14 dated 23 September 2012 provides scope for further provisioning based on qualitative judgements. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach above, the nigher of the two is recog

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in other

Current tax for the current and prior periods is recognised as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. The benefit of a tax loss which can be carried back to recover current tax of a prior period is recognised as an asset. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax

assets/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Bank is currently 40%. The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019. We already

accounted for uncertainty of taxes and further disclosure is not required.

As per IAS 12 Income Taxes, deferred tax assets / (liabilities) are calculated using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities and their tax bases. The tax base of assets is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to an entity (in this case, the Bank) when it recovers the carrying amount of the assets. The tax base of liabilities is their carrying amount, less any amount that will be deductible for tax purposes in respect of the liabilities in future periods. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. Deferred tax is calculated using the tax rates as prescribed in the Income Tax Ordinance (ITO) 1984 and

relevant Statutory Regulatory Orders (SRO) and BRPD circular no. 11 dated 12 December 2011. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced

to the extent that it is no longer probable that the related tax benefit will be realised 4.2.8 Workers Profit Participation (WPPF)

The bank has sought external legal opinion, whereby it was stated that there is significant ambiguity around the inclusion of Banking Institutions within the scope of Chapter XV: Workers' Profit Participation Fund (WPPF) under the Bangladesh Labour Act, 2006 (the 'Act') and the subsequent amendments thereof. As per the Act and amendments thereof, an employer is required to pay 5% of its net profit (as defined under the Act) to the 1) Workers' Participation Fund 2) Workers' Welfare Fund and 3) Labour Trust Foundation Fund for further appropriate disbursement of the funds to all members (i.e., 'Beneficiaries', as defined under the Act) as prescribed under the

As per the external legal opinion sought by the Bank, the inclusion of Banks within the scope of the WPPF under the Bangladesh Labour Act, 2006 is in contradiction with the relevant provisions under the Banking Companies Act, 1991. These ambiguities are yet to be settled and the Bank is seeking clarifications from appropriate Authorities. On the basis of the facts currently known and external legal opinions, management believes that the possibility of a legal obligation for payments out of WPPF is low at the current stage and hence, no provision has

Short term benefits Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under performance bonus plans if the Bank has a present constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Defined contribution plans - Provident fund

The Bank contributes to a locally registered provident fund scheme which is approved by the National Board of Revenue (NBR) for employees of the Bank eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. Obligations for contributions to the provident fund are recognised as an expense in profit or loss when they are due Defined benefit plans - Gratuity fund The Bank operates a funded gratuity scheme recognised by National Board of Revenue (NBR). This fund is managed separately by 'SCB Employees Gratuity Fund Trust' and any investment decision out of this fund is also

made by this Trust. The benefit is paid on separation to the eligible employees i.e. who have completed at least 5 (five) years of continuous service. Gratuity is payable at the rate of one and a half month's gross salary (if length of service is 10 years and above) and one month's gross salary (if length of service is 5 years or more but less than

10 years) of last drawn for each completed year of service or any part thereof in excess of six months. In

accordance with the requirements of IAS 19 Employee Benefits, the Bank's net obligation in respect of its gratuity fund is calculated by estimating the amount of future benefit that employees have earned in return for their service. in the current and prior periods; discounting the benefit to determine its present value; and deducting the fair value of any plan assets. The calculation is performed by a qualified actuary using the Projected Unit Credit method. The net interest expense (income) on the net defined benefit liability (asset) for the period is determined by applying discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Consequently, the net interest on the net defined benefit liability / (asset) comprises interest cost on defined benefit obligation, interest income on plan

assets, and interest on the effect on the asset ceiling. Actuarial gains or losses that arise are recognised in equity and presented in the statement of changes in equity in the period they arise. Past service costs are recognised in the period in which the plan amendment or

curtailment occurs

4.3.1 Interest income on conventional banking

Interest income are recognised in the profit and loss account using the effective interest method. he effective interest rate is the rate that exactly discounts the estimated future receipts through the expected life

of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial Interest is accrued on a daily basis and applied to customer accounts every month, quarter and at maturity depending on the product offerings. In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard loans and

doubtful loans are credited to Interest Suspense Account which is included within Other liabilities. Interest from loans and advances ceases to be accrued when they are classified as bad / loss.



Notes to the Financial Statements Notes to the Financial Statements 6.2 Statutory Liquidity Ratio (SLR) Pursuant to section 33 of the Bank Company Act 1991 (amended up to 2018) & MPD circular No. 02 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), SCB has been maintaining 13.0% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of Profit on investments is recognised, on an accrual basis, over the lifetime of the investments so as to reflect a 9.3 Residual maturity grouping of Investments constant rate of return on their carrying amounts. Overdue / late payment charge on investment is transfe charity suspense account instead of income account. Up to 1 month the reporting month (i.e. SLR of December 2020 is based on weekly ATDTL of October 2020). As per DOS circular letter No. 26 dated 19 August 2019 issued by Bangladesh Bank (effective from 01 September 2019), SCB has been maintaining 13.0% SLR on Off-Shore Banking Operation (OBO) also. Reserve maintained by the More than 1 month but not more than 3 months More than 3 months but not more than 1 Year Interest on investment in securities other than the amount of amortisation of premium and discount on securities classified as HTM which is recognised directly in equity in accordance with DOS circular no. 05 dated 26 May 2008, is recorded in the profit and loss account. bank as at 31 December are as follows: More than 1 Year but not more than 5 Years More than 5 Years 2020 Taka 2019 Taka The Bank earns commission and fee income from a diverse range of services (e.g. operations, accounts 13.0% (for both DBO & OBO) of average demand and time liabilities: 9.4 Face value and market value of Treasury Bills, Bangladesh maintenance, custodial services, credit card renewal etc.) provided to its customers. Commission and fee Required reserve Actual reserve held with Bangladesh Bank (note 6.2.1) 42,150,286,001 40,037,658,907 Bank Bills and Treasury Bonds 149.720.881.734 75.393.343.018 - income earned on the execution of a significant act is recognised as revenue when the act is completed. Surplus Treasury Bills and Bangladesh Bank Bills: 35.355.684.111 107.570.595.733 income earned from services provided is recognised as revenue as the services are provided. Face value of Treasury Bills (including Bangladesh Bank Bills) 6.2.1 Actual reserve held for SLR Unamortised amount of Treasury Bills 4,436,744,791 27,939,868,919 4,034,100,121 4,060,217,079 Cash in hand MTM gain / (loss) from Treasury Bills - HFT Exchange income includes all gains and losses from foreign currency transactions Excess amount of CRR used for SLR Market value Prize bond 1,232,300 1,448,300 48,147,270,259 19,150,307,259 Treasury Bills 86 008 403 549 Dividend income from the investments in unquoted shares in Central Depository Bangladesh Ltd. (CDBL) is **Treasury Bonds:** Bangladesh Government Treasury Bonds 31,334,632,174 Face value of Treasury Bonds 149,720,881,734 75,393,343,018 Unamortised amount of Treasury Bonds MTM gain / (loss) from Treasury Bonds - HFT 7 Balance with other banks and financial institutions Interest expense for all deposits are recognised in the profit and loss account using the effective interest Market value 213 016 349 Inside Bangladesh 613,820,866 36,608,623,301 32.103,775,021 Total Outside Bangladesh 36,821,639,650 32,717,595,887 10 Loans and advances Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is Loans, Cash credit, overdrafts etc. a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or Inside Bangladesh Credit cards Overdraft Current account: 754,758 Sonali Bank Ltd Personal Loan For the purpose of the cash flow statement, cash and cash equivalents include notes and coins on hand and balances held with other banks and financial institutions and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. IFIC Bank Ltd 48,504 Auto loans 3,000,575 10,010,000 3,000,010 Mortgage Loan Islami Bank Bangladesh Ltd 10,010,000 Agrani Bank Ltd 6.339 Staff loans Revolving Loan Each material class of similar items has been presented separately in the financial statements. Items of dissimilar Loans against property Agrani Bank Ltd 600,000,000 nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'. Business Instalment Loan 200.000.000 Term loans 613,820,866 213,016,349 Loans against trust receipts Comparative information including narrative and descriptive one is disclosed in respect of the preceding period where it is relevant to enhance the understanding of the current period's financial statements. Certain comparative amounts in the financial statements are reclassified and rearranged where relevant, to conform to Import Loan Outside Bangladesh Non Group Nostro Preshipment Finance Short Term Loan Current account Ujrah (Saadiq Credit Card) Nordea Bank Norge, OSLO- NOK Credit Suisse, Zurich - CHF Royal Bank of Canada, Toronto - CAD 479.918 92,910 2,697,283 7,425,821 39,433,924 7,336,187 The Bank has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2020 have been considered. However, these amendments have no material impact on the financial statements of the Bank. Musharaka Westpac Banking Corporation - AUD 691,400 Hire Purchase Shirtatul Melk (HPSM) Australia and New Zealand Banking Group-AUD 1,093,915 Al Rajhi Bank- SAR Nordea Bank, OSLO - SEK 2,757 Diminishing Musharaka In December 2017, ICAB vide letter 1/1/ICAB-2017 decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements 227,359 Nordea Bank, Denmark 42.247 Bills purchased and discounted (Note: 11) 48.616.302 10,910,171 A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements. Current account: 10.1 Loans and advances including bills purchased and On Shore: discounted- inside and outside Bangladesh SCB Hongkong - HKD SCB Bombay ACU - USD SCB Nepal - USD 36,961 379,326,077 188.374 Inside Bangladesh 122,853,795 IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 104,371,217 Outside Bangladesh SCB London - GBP 45,154,206 34.768.986 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements. SCB London - USD SCB Bombay ACU - EUR 1,646,017 728,778 22,407,827 663,584 141,508,522 10.2 Loans and advances including bills purchased and discounted- residual maturity grouping 145,855,703 SCB Karachi ACU - USD SCB Colombo ACU - USD 217.557.245 261,099,483 96,153,406 Repayable on demand There are no other standards that are not vet effective and that would be expected to have a material impact SCB Frankfurt - EUR on the Bank in the current or future reporting periods and on foreseeable future transactions. SCB Singapore - SGD Not more than 3 months 594,311 150,576,383 More than 3 months but not more than 1 year SCB Tokyo - JPY SCB Dubai - AED 246,414,006 23,639,705 8,663,633 122,596 More than 1 year but not more than 5 years The Bank's approach to capital management is driven by a desire to maintain a strong capital base to support SCB Hongkong - CNY More than 5 years the development of its business, to meet regulatory capital requirements at all times and to maintain good credit Off Shore: SCB New York -USD 2.523.621.104 933.748.291 4,264,526 125,830,828 SCB London -GBP 10.3 Loans and advances- significant concentration 455,794,393 Advances to allied concerns of Directors SCB Tokyo -JPY 2.871 2,329 Capital requirements for the Bank at a local level are set and monitored by Bangladesh Bank. The capital that Advance to the Country Managemenr Team (CMT) members 2.377.864.850 4.335,588,999 the Bank is required to hold is determined considering its balance sheet and off-balance sheet positions in accordance with guidelines on risk based capital adequacy. Advance to chief executive and other senior executives Short term deposit account: 29.715.000.000 SCB London - USD 32.224.418.000 The Bank's capital structure consists of Tier I and Tier II capital which is aligned with regulatory capital structure. Tier I capital is further categorized as Common Equity Tier 1 (CET1) and Additional Tier 1 capital. The computation of the amount of Common Equity Tier I, Additional Tier I and Tier II capital shall be subject to the 32.224.418.000 29.715.000.000 10.4 Details of large loans 36,560,006,999 32.092.864.850 Total number of customers having facilities of more **Total Group Nostro** Total outside Bangladesh 36.608.623.301 32,103,775,021 than 10% of the Bank's capital: Number of the Group The Bank has to maintain at least 4.50% of total Risk Weighted Assets (RWA) as Common Equity Tier I capita Refer to Annexure - B for currency wise balances Amount of outstanding loans and advances (BDT) Tier I capital will be at least 6.00% of the total RWA. Minimum Capital to Risk-weighted Asset Ratio (CRAR) will be 10% of the total RWA. Additional Tier I capital can be maximum up to 1.5% of the total RWA or 33.33% of CET 1, whichever is higher. Tier II capital can be maximum up to 4% of the total RWA or 88.89% of CET1, whichever is higher. Amount of classified loans and advances (BDT) Residual maturity analysis of balance with other banks and financial institutions In addition to minimum CRAR, Capital Conservation Buffer (CCB) @ 2.5% of the total RWA will be maintained Up to 1 month More than 1 month but not more than 3 months 20.709.259.650 30.170.595.887 10.5 Customers' group wise classification of loans and advances including bills purchased and discounted 2.547.000.000 More than 3 months but not more than 1 Year 5.1 As per section 13 (1), subsequent revision and amendments to the Bank Company Act 1991 and BRPD circular no. 18 dated 21 December 2014 and BRPD circular letter no. 11 dated 14 August 2008, the required amount of the capital and reserves of the bank at the close of the business on 31 December 2020 is Tk. 4,000,000,000 or (a) Retail loans and advances More than 1 Year but not more than 5 Years (b) Small and Medium Enterprises 36,821,639,650 32,717,595,887 (c) Large Enterprises 10% of risk weighted assets whichever is higher. Accordingly, the required amount of the capital and reserves of the Bank at the close of the business on 31 December 2020 was Tk. 26,545,969,402 (2019: Tk 27,171,693,014). The Bank's capital was greater than the amount required as above. The details of the capital (d) Corporate customers Money at call and short notice (a) Retail loans and advances - product wise classification Credit cards Taka Taka Overdraft 9 Investments 265,459,694,023 271,716,930,140 Personal Loan Government securities Auto loans 26,545,969,402 27,171,693,014 Treasury Bills 81,312,837,723 Mortgage Loan Reverse Repo Treasury Bills 12.371.076.467 Reverse Repo Government Bonds Staff loans Bangladesh Bank Bills Ujrah (Saadiq Credit Card Issuing) Bangladesh Government Treasury Bonds 2,359,550,597 2,361,728,446 Murabaha Bangladesh Government Islamic Bonds 4,250,000,000 950,000,000 58.877.425.522 55.699.595.488 Diminishing Musharaka Prize Bonds 1.232.300 1,448,300 (274,629,860) 332,901,000 117,344,268,024 67,299,025,818 (809.179.701) (1.155.703.125 18,000,000 18,000,000 (b) Small and Medium Enterprises - product wise classification 57,585,045,232 59,806,643,134 117,362,268,024 67,317,025,818 Total **Business Overdraft** Loans against property 59,806,643,134 57,585,045,232 *Represent investments in 9,000,000 shares of Central Depository Bangladesh Limited (CDBL) of Taka 10 each Business Instalment Loan which is inclusive of 7,200,000 bonus shares. As per last audited financial statement of CDBL, book value per Loans against trust receipts share is higher than the cost price of the investr 5.309.180.450 4,839,840,983 Import Loan 9.1 Classification of Treasury Bills, Bangladesh Bank Hire Purchase Shirkatel Melk 5,309,180,450 1,839,840,983 Bills and Treasury Bonds Bill discounted & purchased 62,894,225,682 64,646,484,117 Held to Maturity (HTM) 12,531,852,087 4,250,000,000 13,267,738,830 26.545.969.402 27.171.693.014 Bangladesh Government Islamic Bonds (c) Large Enterprises - product wise classification Bangladesh Government Treasury Bonds 13,705,464,176 15,176,242,956 38.100.514.715 35.722.532.668 Overdraft 31 958 095 043 27.923.203.006 Loans against property 22.53% 21.19% Business Instalment Loan Treasury Bills 68,780,985,636 22,508,454,962 22.53% 21.19% Reverse Repo Treasury Bills 4.695.565.826 12 371 076 467 Revolving loans 1.95% 1.95% Loans against trust receipts 24.35% 23.15% 85,384,940,681 39.374.374.512 Import Loan Refer to Annexure - F for Disclosures on Risk Based Capital (Basel III) Pillar III. 67,297,577,518 117,343,035,724 Hire Purchase Shirkatul Melk Bill discounted & purchased Tenor wise grouping of Treasury Bills, Bangladesh Bank Bills and Treasury Bonds (d) Loans and advances to corporate customers - product 3,666,792,250 769,952,542 3 667 195 222 Treasury Bills and Bangladesh Bank Bills Held to Maturity (HTM) Securities Overdraft 4,034,100,121 30 Days Bangladesh Bank Bills 28 Days Treasury Bills 4,436,744,792 Import Loar 91 Days Treasury Bills Loan Against Trust Receipt 41,117,378,643 6,961,999,689 20,834,151,389 2,230,925,150 182 Davs Treasury Bills 209.184.600 2.265.347.841 364 Days Treasury Bills 12,322,667,486 Preshipment Finance Short Term Loan 12,531,852,086 13,267,738,830 48,079,378,333 23,065,076,539 Murabaha Held For Trading (HFT) Securities 14 Days Treasury Bills Diminishing Musharakah 30 Days Bangladesh Bank Bills Musharakah 48,079,378,333 23,065,076,539 28 Days Treasury Bills Bill discounted & purchased 52,516,123,125 91 Days Treasury Bills 182 Days Treasury Bill 16.289.245.676 5.386.992.307 Bill discounted & purchased-Goods Murabaha 37,207,433,549 19,979,872,238 8,498,726,980 20,993,812,142 Bill discounted & purchased-Musharakah 364 Days Treasury Bills As per section 33 of the Bank Company Act 1991 (amended up to 2018), MPD circular No. 03 dated 09 April 2020 issued by Bangladesh Bank (effective from 15 April 2020) & BRPD circular letter No. 31 dated 18 June 2020 issued by Bangladesh Bank (effective from 01 July 2020), SCB has been maintaining 3.5% & 1.5% CRR on daily basis for Domestic Banking Operation (DBO) & Off-Shore Banking Operation (OBO) respectively and 4.0% & 2.0% CRR on bi-weekly basis for Domestic Banking Operation (DBO) & Off-Shore Banking Operation (OBO) respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2020 is maintained on the basis of weekly ATDTL of Crober 2020). Because maintained by the bank as at 31 December. 34,879,531,429 48,147,270,259 Total Treasury Bills and Bangladesh Bank Bill 10.6 Loans and advances including bills purchased and discounted- sector wise classification **Treasury Bonds** Held to Maturity (HTM) Securities (i) Retail Customers 3 Months Islamic Bonds 3,250,000,000 (ii) Small & Medium Enterprise 1,000,000,000 11,187,736,673 3,607,387,213 950,000,000 9,080,549,329 3,106,847,534 6 Months Islamic Bonds (iii) Large Enterprise maintained on the basis of weekly ATDTL of October 2020). Reserve maintained by the bank as at 31 Decembe 2 Year Treasury Bonds 5 Year Treasury Bonds (iv) Corporate Customers 10 Year Treasury Bonds 246,575,497 1,383,545,899 79,653,748 54,867,666 15 Year Treasury Bonds 79,669,426 20 Year Treasury Bonds (i) Loans and advances - sector wise classification (Retail Cust 19,426,242,956 14,655,464,176 Retail Loan Staff Loan Held For Trading (HFT) Securities 3 Months Islamic Bonds 6 Months Islamic Bonds 11,245,633,287 40,847,595,927 15,716,646,867 8,980,765,373 2 Year Treasury Bonds 29,601,962,640 5,631,882,26 5 Year Treasury Bonds 1,687,992,493 1,459,075,346 Manufacturing 829,928,761 409,702,592 207,669,003 338,039,502 10 Year Treasury Bonds Construction 15 Year Treasury Bonds Commerce 20 Year Treasury Bonds Transport and communications 11,908,389,218 4,494,843,083 12,907,727,880 44,120,157,236 Community, social and personal services 17.288.311.553 **Total Treasury Bonds** 31,334,632,175 19,150,307,259 6,443,519,623 31,212,429,356



Notes to the Financial Statements

4.3.3 Interest income from investment in securities

4.3.2 Profit on Islamic Banking investments

4.3.4 Commission and fee income

recognised when it is received.

4.3.7 Interest expense on deposits

4.4.2 Cash and cash equivalents

4.4.3 Materiality and aggregation

4.4.4 Comparative information

the current year's presentation

(a) IFRS 17 Insurance Contracts

Compliance with capital adequacy regulations

as on 31 December are as follows:

Total risk weighted assets

Total capital held:

Retained Earnings

Additional Tier I

Tier II

Total Tier I Capital

General Provision

Total Tier II Capita

Surplus capital

Tier II Capital Ratio

Local currency

Local currency

Surplus

Foreign currencies

Foreign currencies

Total Regulatory Capital

Total capital Required

Common Equity Tier -I Ratio

Tier I Capital Adequacy Ratio

Capital to Risk Weighted Assets Ratio (CRAR)

In hand (including foreign currencies)

Foreign currency capital (restricted)

6.1 Cash Reserve Ratio (CRR)

Balance with Bangladesh Bank (including foreign currencies)

Balance with Sonali Bank as agent of Bangladesh bank

Daily 3.5% for DBO & 1.5% for OBO (2019: 5.0% for both DBO &

Bi-weekly 4.0% for DBO & 2.0% for OBO (2019: 5.5% for both

Actual reserve held with Bangladesh Bank (Annexure - E)

Bi-weekly average reserve held with Bangladesh Bank

Sonali Bank as an agent of Bangladesh Bank

Actuarial Gain/(Loss)

Common Equity Tier I

10% of risk weighted assets

Fund Deposited with Bangladesh Bank

as per Bangladesh Bank Guidelines

Revaluation Reserve for Securities

Less: Regulatory Adjustment for Deferred Tax Assets

4.5 New accounting standards

4.4.1 Offsetting financial assets and financial liabilities

4.3.5 Exchange income

4.3.6 Dividend income

4.4 Others

5.0 Capital

income is accounted for as follows:



2020

Taka

18,296,602,249

39.096.017.205

53,863,309,794

5,544,092,612

117.362.268.024

86,445,669,692

(659,601,534)

222.335.391

86,008,403,549

30.789.100.000

31,334,632,175

117,343,035,724

7.109.497.270

5,772,787,907

1.109.370.618

3.021.567.520

47.387.700

607,517,890

9,936,140,510

15,691,269,510

5.567.710.970

52.066.505.765

3.815.602.957

371,149,296

174,001,546

6.257.225.390

3.393.160.514

201.318.740.934

216,227,725,144

215,120,279,102

216,227,725,144

21.106.413.859

76,611,808,418

56,257,199,863

44.837.588.589

17,414,714,415

216,227,725,144

204.437.151

1 978 214 287

2,182,651,438

98,893,164,945

54.425.819.693

10.294.753.648

8.984.042.977

142,523,108,826

216,227,725,144

7,109,497,270

26,307,867,245

1.109.370.618

13.059.589.738

3,021,567,520

371.149.296

3,393,160,514

54,425,819,693

991,664,383

414.460.943

20,885,309

3,283,217

3,296,150,038

624.828.608

193.056.947

47,387,700

26.229.587

62.550.642

83,881,894

2.961.075.351

8,984,042,977

4,102,677,423

15,691,269,510

52,003,911,954

5.520.596.074

3.815.602.957

170,718,329

47,010,388,588

13 466 360 451

142.523.108.826

54,425,819,693

10.294.753.648

8.984.042.977

142,523,108,826

216,227,725,144

51,404,252,173

3.021.567.520

54.425.819.693

1,499,948,434

4,951,893,518

230,299,577

3,586,390,238

10,294,753,648

26,221,882

741.583.540

4,985,032,247

43,168

4.951.108.263

53,617,492

1,107,446,043

47,010,388,588

26.307.867.245

13.059.589.738

42.375.621

503,156,554

562,246,164

2019

Taka

20,481,598,444

7,260,013,435

24,240,393,96

14,843,010,763

67,317,025,818

49,314,671,378

(1,123,901,214)

48,147,270,259

19.293.651.935

(199.356.574)

19,150,307,259

67,297,577,518

7 139 476 637

7,366,600,270

26,082,658,852

1.255.922.97

12,196,555,066

2.986.460.685

729,567,926

12,988,297,172

19,559,656,880

5.140.962.730

59.785.708.962

4.947.316.140

47,910,392,325

407,735,44

316,999,048

400.109.666

6.918.635.344

4.386.636.965

220.519.693.080

250,758,839,174

248,508,055,136

250,758,839,174

17.700.733.024

111,185,771,092

55,439,644,302

51,139,114,031

15,293,576,725

209.832.424

2 074 292 226

2,284,124,650

122,296,300,000

53.707.790.823

11,262,662,240

11.296.241.191

174,492,144,920

250,758,839,174

7,139,476,637

26,082,658,852

1.255.922.971

12.196.555.066

2,986,460,685

407.735.441

3,596,501,416

468,030,378

469.351.195

18,052,389

5,305,555

3,565,496,665

798.892.800

260,216,731

46.304.873

28.369.268

3.353.138.680 95,631,575

11,296,241,191

6,057,351,631

19,559,656,880

59,757,339,694

5.076.605.468

4 947 316 140

47,910,392,325

311,539,199

790,135,549

400,109,666

200,000,000

29,481,698,368

174,492,144,920

53,707,790,824

11.262.662.238

11.296.241.193

174,492,144,919

250,758,839,174

50,721,330,138

2.986.460.685

53.707.790.824

1,664,403,407

5,463,269,008

3,826,453,512

11,262,662,238

279,743,787

28,792,524

6,713,687,264

6.274.609.908

53,707,790,823

154,294

42,325,461

250,758,839,174

2.250.784.037

56,011,899

(43,499,906)

492,009,215

		2020	2019		
		<u>Taka</u>	<u>Taka</u>	13	Other assets
	(iii) Loans and advances - sector wise classification (Large Enterprise) Manufacturing	333,217,360	400,840,156		Stationery and stamps in hand Interest receivable - Loans and advance
	Construction Commerce	7,621,146,699	35,260,218 9,501,586,051		Interest receivable - Central Bank and Interest receivable - Banks
	Transport and communications Community, social and personal services	75,009,012 954,669,906	94,932,326 1,263,622,442		Interest receivable - SCB Branches Accrued commission receivable
		8,984,042,977	11,296,241,193		Security deposits Advance rent
	(iv) Loans and advances - sector wise classification (Corporate customers)				Prepaid expenses Suspense account
	Agriculture, hunting, forestry and fishing Manufacturing	13,264,783,020 107,816,229,789	80,930,634,391 56,299,057,349		Sundry debtors Other Receivable - Protested Bill
	Electricity, gas and water Construction Commerce	1,151,971,535 546,885,328 5,427,177,847	2,117,443,274 - 7,783,558,324		Project awaiting completion Unrealised gain on forward contracts
	Transport and communications Community, social and personal services	3,891,788,664 4,114,992,495	5,053,542,039 14,004,185,248		Deferred tax asset (Note - 13.2) Net defined benefit asset (Note - 16.3)
	Financing, insurance and business service Banks	6,306,312,896 2,967,251	8,089,846,669 213,877,625		Cross border recharge receivable Receivable from Bangladesh Bank aga
		142,523,108,826	174,492,144,919		Adjustment due to use of Bangladesh Others
10.7	Loans and advances including bills purchased and discounted- geographical location wise classification				Other coasts have been accessed by
	Dhaka Division Chittagong Division	195,962,646,668 19,279,663,005	224,735,942,090 25,032,014,810		Other assets have been assessed by raised.
	Khulna Division Rajshahi Division Rangpur Division	331,966,572 277,119,173	332,991,608 258,793,885	13.1	Other assets which are not cap (non interest bearing)
	Sylhet Division Maymenshing Division	376,329,726	399,096,781		Stationery and stamps in hand Interest receivable - Loans and advance
		216,227,725,144	250,758,839,174		Interest receivable - Central Bank and Interest receivable - Banks
8.01	Loans and advances including bills purchased and discounted- unclassified and classified classification				Interest receivable - SCB Branches Accrued commission receivable
	Unclassified Standard	212,487,409,925	246,171,160,968		Security deposits Advance rent
	Special Mention Account (SMA)	236,111,536 212,723,521,461	393,394,244 246,564,555,212		Prepaid expenses Suspense account
	Classified Substandard Doubtful	944,480,014 523,099,206	953,384,199 304,511,060		Sundry debtors Other Receivable - Protested Bill
	Bad / loss	2,036,624,463 3,504,203,683	2,936,388,703 4,194,283,962		Project awaiting completion Unrealised gain on forward contracts Deferred tay asset
		216,227,725,144	4,194,283,962 250,758,839,174		Deferred tax asset Net defined benefit asset Cross border recharge receivable
0.9	Particulars of loans and advances including bills purchased and discounted				Cross border recharge receivable Receivable from Bangladesh Bank aga Adjustment due to use of Bangladesh
	 Loans considered good in respect of which the Bank is fully secured (unclassified loans and advances); 	37,525,042,435	48,385,525,087		Adjustment due to use of Bangladesh Others
	 Loans considered good against which the Bank holds no security other than the debtor's personal guarantee; 	146,875,152,947	144,044,101,071		
	 Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor; 	-		13.2	Deferred tax
	iv) Loans adversely classified; provision not maintained there against;	1,429,047	20,562,317		
	Loans taken by directors or officers of the Bank or any of these either separately or jointly with any other	3,021,567,520	2,986,460,685		Fixed assets Accrued interest on Government securities
	persons; vi) Loans due from companies or firms in which the directors of the Bank have interests as directors,		2,000,700,000		FRS 16 right of use assets (ROU) Gratuity provision
	partners or managing agents or in case of private companies as members;	-	-		Operating lease rent adjustment Actuarial (gain)/loss during the year
	vii) Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the Bank or any of them				Specific provision Holiday pay accruals
	either separately or jointly with any other person; viii) Maximum total amount of advances, including	3,021,567,520	2,986,460,685		Revaluation reserve - HTM & HFT securitie
	temporary advances granted during the year to the 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; ix) Due from banking companies;	9,075,024	213,877,625		Deferred tax assets / (liabilities) are calculate be realised or the liabilities settled, based
	x) Classified loans for which interest has not been charged: a) Increase / (decrease) of provision (specific)	1,269,329,712	(239,017,050)		descriptions for individual items of the d difference with expected realisation / (settl
	Amount of loans written off Amount realised against the loan previously written off b) Amount of provision kept against the amount	485,151,589 79,535,265	1,619,871,372 158,216,261		Fixed assets
	classified as bad / loss as at the Balance Sheet date (c) Amount of interest charged in suspense account	1,694,391,340 533,490,582	2,348,443,015 239,592,343		As per tax rules, accounting depreciation is temporary differences arise on such diffi (liabilities) on such differences. This is an o
	xi) Loans written off: Opening Balance of cumulative written-off loan	8,196,905,339 485,151,589	6,577,033,967		depreciation rate. However the outstandir economic useful life of the assets.
	Gross amount of written off during the current year Cumulative amount of written off loans Amount of written off loan for which lawsuit has been filed	8,682,056,928 5,629,248,657	1,619,871,372 8,196,905,339 5,304,352,802		Accrued interest on Governme
14		<u> </u>	3,004,002,002		As per tax law, interest income on Gov Government securities have been account
11	Bills purchased and discounted Inside Bangladesh Outside Bangladesh	13,801,538,168	27,988,362,057		income recognition has created temporary and the outstanding deferred tax will be ac
	Outside Dangladesii	1,107,446,043 14,908,984,211	2,250,784,037 30,239,146,094		Gratuity provision
11.1	Bill purchased & discounted- product wise classification				The Bank recognises deferred tax assets / to the recognised gratuity fund. The tempor to the fund.
	(a) Bill Discounted & Purchased to Consumer Bank by Prod Cheque Purchased	uct -	-		Operating lease rent adjustmer
	Credit Bill Negotiation Bank - Credit Bill Negotiation Export bill discounting / outward Bill		-		The Bank recognises deferred tax assets long-term premises lease rent as opposed
	Export Invoice Finance Import Invoice Finance	-	-		difference will be settled or adjusted on the
		-	-		Specific provisions on loans and As per tax law, provisions for loans and adv
	(b) Bill Discounted & Purchased to Small and Medium Enterprises by Product				back while computing taxable income. How the amount of such loans as deductions fr
	Cheque Purchased Credit Bill Negotiation Rank - Credit Bill Negotiation		-		As per the provision of IAS 12, the Bank r other than retail and small enterprise cust
	Bank - Credit Bill Negotiation Export bill discounting / outward Bill Export Invoice Finance	-	-		taxable profit will be available against which and small enterprise customers are consider
	Import Invoice Finance	617,158,326 617,158,326	461,816,150 461,816,150		
	(c) Bill Discounted & Purchasedto Large Enterprises by Produ		, ,,,	13.3	Movement of deferred tax asse
	Cheque Purchased Credit Bill Negotiation	-	-		Net deferred tax assets / (liabilities) as at 1 (Charged) / Credit to Profit and Loss accounts
	Bank - Credit Bill Negotiation Export bill discounting / outward Bill	-	-		Actuarial gain/loss and Revaluation Reserve-HTM & Net balance as at 31 December
	Export Invoice Finance Import Invoice Finance	83,881,894	95,631,575	13.3	.1Deferred tax recognised in equ
	(-D. Dill Discounts of Doubles of Assessment Company	83,881,894	95,631,575	1010	Actuarial gain / (loss) for gratuity Revaluation reserve - HTM & HFT securitie
	(d) Bill Discounted & Purchased to corporate customers by purchased Credit Bill Negotiation	411,334,640	1,269,378,688		
	Bank - Credit Bill Negotiation Export bill discounting / outward Bill	1,505,983,989 9,075,024 160,163,903	3,408,851,096 213,877,625 119,235,059		Deferred tax @ 40 % Transfers to reserve
	Export Invoice Finance Import Invoice Finance	6,921,163,217 4,458,639,678	11,943,671,385 12,526,684,515	14	Borrowings from other banks, financia Repo (Annex G)
	Islamic- Import Invoice Finance (Bai-Murbaha) Islamic- Export Invoice Finance (Musharakha)	741,583,540	200,000,000		Borrowing from Bangladesh Bank EDF fu Borrowing from Bangladesh Bank refinar
	Total (a+b+c+d)	14,207,943,991	29,681,698,368		Others (Note 14.1)
1.0	Classification on residual maturity basis	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2,200,110,004	14.1	Others
	Payable within 1 month Over 1 month but less than 3 months	5,236,293,432 7,791,588,912	1,963,540,090 24,348,843,833		A. Group Vostro : Current Deposit
	Over 3 months but less than 6 months 6 months or more	1,881,101,867	3,926,762,171		SCB Bombay - ACU USD SCB Colombo - ACU USD
		14,908,984,211	30,239,146,094		SCB Pakistan - USD SCB London - BDT SCB New York - BDT
2	Fixed assets including premises, furniture and fixtures Freehold premises				SCB New York - BDT SCB Singapore - BDT SCB Singapore - SGD
	Fixed equipments Computer and office equipments	1,169,313,595 1,794,391,603	1,164,699,473 1,649,484,214		SCB Kuala Lumpur - BDT SCB Dubai - BDT
	Furniture and fittings Motor vehicle	618,888,633 73,925,431	607,571,199		SCB Dubai (International Financial SCB Tokyo- BDT SCB Singapore - USD
	Leased assets IFRS 16 right of use assets (ROU)	47,576,000 2,394,991,838	47,576,000 1,954,972,149		SCB Singapore - USD SCB London - EUR SCB Hongkong - EUR
	Less: Accumulated depreciation	6,099,087,099 (3,955,318,943)	5,498,228,465 (3,433,886,108)		SCB London (Savar) - GBP
	Refer to Annexure - A for detailed analysis.	2,143,768,156	2,064,342,357		Total Group Vostro

Notes to the Financial Statements

	2020	2040
	<u>2020</u> Taka	<u>2019</u> Taka
	<u>така</u>	<u>така</u>
Other assets		
Stationery and stamps in hand	5,845,152	7,173,074
nterest receivable - Loans and advances	186,260,033	2,581,897,375
nterest receivable - Central Bank and Government	812,580,403	565,977,850
nterest receivable - Banks	259,627	13,769,504
nterest receivable - SCB Branches	179,027	39,799,234
accrued commission receivable	660,329,863	702,945,933
Security deposits	13,743,350	13,744,852
Advance rent	2,316,595	50,316,887
Prepaid expenses	10,776,807	24,281,137
Suspense account	1,164,987,295	343,719,795
Sundry debtors	134,048,656	119,257,710
Other Receivable - Protested Bill	637,103	637,103
Project awaiting completion	39,785,289	107,829,25
Inrealised gain on forward contracts	4,170,463	48,829,494
Deferred tax asset (Note - 13.2)	1,181,986,262	827,093,633
let defined benefit asset (Note - 16.3)	-	114,651,235
Cross border recharge receivable	3,343,675	8,059,718
Receivable from Bangladesh Bank against sanchayapatra	2,050,883,320	1,187,346,818
djustment due to use of Bangladesh Bank conversion rate	-	608,856
Others	1,632,961	1,173,047
	6,273,765,882	6,759,112,506
Other assets have been assessed by management and wherevalued.	er required necessary pro	vision has been

able of earning income

Interest receivable - Loans and advances Interest receivable - Central Bank and Government Interest receivable - Banks Interest receivable - Banks Interest receivable - SCB Branches Interest receivable - SCB SCB, 977,850 Interest receivable - SCB SCB, 97,95,50 Interest receivabl		6,273,765,882	6,759,112,506
Interest receivable - Loans and advances Interest receivable - Central Bank and Government Interest receivable - Banks Interest receivable - Banks Interest receivable - SCB Branches Interest receivable - Potestable Interest receivable Inter	Others	1,632,961	1,173,047
Interest receivable - Loans and advances Interest receivable - Central Bank and Government Interest receivable - Banks Interest receivable - Banks Interest receivable - SCB Branches Interest receivable - Interest In	Adjustment due to use of Bangladesh Bank conversion rate	-	,
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,743,550 13,744,852 Advance rent 2,316,595 50,316,887 Prepaid expenses 10,776,807 24,281,137 Suspense account 1,164,987,295 343,719,795 Sundry debtors 134,048,656 119,257,710 Other Receivable - Protested Bill 637,103 637,103 Project awaiting completion 39,785,289 107,829,251 Unrealised gain on forward contracts 4,170,463 48,829,494 Deferred tax asset 1,181,986,262 827,093,633 Net defined benefit asset - 114,651,235 Cross border recharge receivable 3,343,675 8,059,718	Receivable from Bangladesh Bank against sanchayapatra	2,050,883,320	
Interest receivable - Loans and advances Interest receivable - Central Bank and Government Interest receivable - Banks Interest receivable - Banks Interest receivable - Banks Interest receivable - SCB Branches Interest receivable - SCB ScB, 97,850 Interest receivable - SCB ScB, 97,850 Interest receivable - SCB ScB, 97,95,50 Interest r	Cross border recharge receivable		8,059,718
Interest receivable - Loans and advances Interest receivable - Central Bank and Government Interest receivable - Banks Interest receivable - Banks Interest receivable - Banks Interest receivable - SCB Branches Interest receivable - Protested Bill Interest receivabl	Net defined benefit asset	-	
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,744,350 13,744,855 Advance rent 2,316,595 50,316,887 Prepaid expenses 10,776,807 24,281,137 Suspense account 1,164,987,295 343,719,795 Sundry debtors 134,048,656 119,257,710 Other Receivable - Protested Bill 637,103 637,103 Project awaiting completion 39,785,289 107,829,251 Unrealised gain on forward contracts 4,170,463 48,829,494	Deferred tax asset	1,181,986,262	827,093,633
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,743,350 13,744,852 Advance rent 2,316,595 50,316,887 Prepaid expenses 10,776,807 24,281,137 Suspense account 1,164,987,295 343,719,795 Sundry debtors 134,048,656 119,257,710 Other Receivable - Protested Bill 637,103 637,103 Project awaiting completion 39,785,289 107,829,251	Unrealised gain on forward contracts		48,829,494
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,743,350 13,744,852 Advance rent 2,316,595 50,316,887 Prepaid expenses 10,776,807 24,281,137 Suspense account 1,164,987,295 343,719,795 Sundry debtors 134,048,656 119,257,710	Project awaiting completion	39,785,289	
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,744,850 13,744,855 Advance rent 2,316,595 50,316,887 Prepaid expenses 10,776,807 24,281,137 Suspense account 1,164,987,295 343,719,795	Other Receivable - Protested Bill	637,103	637,103
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,743,350 13,744,852 Advance rent 2,316,595 50,316,887 Prepaid expenses 10,776,807 24,281,137 Suspense account 1,164,987,295 343,719,795	Sundry debtors	134,048,656	119,257,710
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,743,350 13,744,852 Advance rent 2,316,595 50,316,887	Suspense account	, , ,	343,719,795
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933 Security deposits 13,743,350 13,744,852	Prepaid expenses	10,776,807	24,281,137
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234 Accrued commission receivable 660,329,863 702,945,933	Advance rent	2,316,595	50,316,887
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504 Interest receivable - SCB Branches 179,027 39,799,234	Security deposits	13,743,350	13,744,852
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 Interest receivable - Banks 259,627 13,769,504	Accrued commission receivable	660,329,863	702,945,933
Interest receivable - Loans and advances 186,260,033 2,581,897,375 Interest receivable - Central Bank and Government 812,580,403 565,977,850 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,403 10,700,500,400,400,400,400,400,400,400,400,4	Interest receivable - SCB Branches	179,027	39,799,234
Interest receivable - Loans and advances 186,260,033 2,581,897,375	Interest receivable - Banks	259,627	13,769,504
Statisticity and statisps in hard	Interest receivable - Central Bank and Government	812,580,403	565,977,850
Stationery and stamps in hand 5,845,152 7,173,074	Interest receivable - Loans and advances	186,260,033	2,581,897,375
	Stationery and stamps in hand	5,845,152	7,173,074

	Deferred Tax Assets (Taka)		Deferred Tax L	iabilities (Taka)
	2020	2019	2020	2019
Fixed assets	200,511,349	203,542,346		
Accrued interest on Government securities			(324,627,705)	(226,391,140)
FRS 16 right of use assets (ROU)	90,149,406	73,367,223	-	
Gratuity provision	165,879,506	176,073,506	-	
Operating lease rent adjustment	-	46,637	-	-
Actuarial (gain)/loss during the year	183,086,573			(221,933,500)
Specific provision	525,662,750	358,278,624	-	
Holiday pay accruals	16,696,678	15,785,297	-	
Revaluation reserve - HTM & HFT securities	-	-	(503,094,924)	(198,099,056)
	1,181,986,262	827,093,633	(827,722,629)	(646,423,696)

ulated using the tax rate expected to apply in the periods in which the assets will sed on tax rates and laws enacted by the balance sheet date. Following are the deferred tax asset / (liabilities) that are recognised by the bank as temporary

is not tax allowable. However, tax authorities allow the tax depreciation. Therefore lifferent depreciation methodology. The Bank recognises deferred tax assets / n ongoing item and there is a difference between tax depreciation and accounting ding amount of deferred tax will be automatically released with the expiry of the

ent securities overnment securities are taxed on cash basis whereas interest income from

nted for on accrual basis in these financial statements. This difference of interest ry difference on which the Bank recognises deferred taxes. This is an ongoing item adjusted upon maturity of the respective Government securities.

/ (liabilities) on the temporary difference for gratuity provision and actual payment orary differences would eventually be eliminated on the payment of such provision

ets / (liabilities) on the temporary differences for actual contractual liability on ed to straight line expense recognition over the period of lease term. This temporary the expiry of lease agreement.

and advances

advances are not allowable. As a result, provision charged to profit or loss is added owever, for loans that are written off with cases being filed the tax authority allows from taxable income.

stomers for the deductible temporary difference to the extent it is probable that hich such temporary difference can be utilised. However, the provisions for retail sidered as permanent difference.

2020

Taka

2019

Taka

13.3	Mov	ement of deferred tax assets / (liabilities)		
		eferred tax assets / (liabilities) as at 1 January	180,669,937	987,006,001
		ged) / Credit to Profit and Loss account	73,568,992	(309,776,077)
		ial gain/loss and Revaluation Reserve-HTM & HFT adjustment (Note- 13.3.1)	100,024,705	(496,559,986)
	Net b	alance as at 31 December	354,263,634	180,669,938
40.0				
13.3.	1Dete	erred tax recognised in equity		
		rial gain / (loss) for gratuity	(1,012,551,433)	1,150,144,035
	Reval	uation reserve - HTM & HFT securities	762,489,670	91,255,930
			(250,061,763)	1,241,399,965
	Deferr	red tax @ 40 %	100,024,705	(496,559,986)
	Trans	fers to reserve	(150,037,058)	744,839,979
14	Borro	owings from other banks, financial institutions and agents		
	Repo	o (Annex G)	-	-
	Borr	owing from Bangladesh Bank EDF fund	5,262,657,631	1,095,813,270
		owing from Bangladesh Bank refinancing scheme	1,366,400,000	-
	Othe	ers (Note 14.1)	9,390,782,868	9,889,060,250
			16,019,840,499	10,984,873,519
14.1	Othe	ers		
	A.	Group Vostro:		
		Current Deposit		
		SCB Bombay - ACU USD	854,958	1,858,620
		SCB Colombo - ACU USD	298,486,434	184,572,726
		SCB Pakistan - USD	453,094,148	263,247,167

Group Vostro :		
Current Deposit		
SCB Bombay - ACU USD	854,958	1,858,620
SCB Colombo - ACU USD	298,486,434	184,572,726
SCB Pakistan - USD	453,094,148	263,247,167
SCB London - BDT	146,235,719	124,668,069
SCB New York - BDT	1,623,296	143,055
SCB Singapore - BDT	7,293,820	66,070,372
SCB Singapore - SGD	-	5,091,806
SCB Kuala Lumpur - BDT	6,672,317	3,472,863
SCB Dubai - BDT	18,891,697	17,573,593
SCB Dubai (International Financial Center) - BDT	94,773	97,963
SCB Tokyo- BDT	504,010	499,850
SCB Singapore - USD	1,483,611	-
SCB London - EUR	831,805,600	1,331,113,000
SCB Hongkong - EUR	2,079,514,000	1,426,192,500
SCB London (Savar) - GBP	6,165,762	-
Total Group Vostro	3,852,720,144	3,424,601,584

otes to	the	Financial	Statements	

	2020	2019
Non Group Vostro :	<u>Taka</u>	<u>Taka</u>
Current Deposit		
People's Bank Colombo, Sri Lanka	13,304,039	20,686,041
Seylan Bank Plc	58,291,504	52,017,730
Bank of New Zealand	159,110	159,950
Askari Bank Ltd	819,980	68,675,999
Faysal Bank	125,659,571	28,378,940
Habib Metropolitan Bank	44,047,896	3,677,237
Soneri Bank Itd	44,174,697	49,122,306
Allied Bank Ltd-Karachi	6,016,144	12,690,933
United Bank Ltd-Karachi	130,869,403	48,125,004 1,669,455
Oman & UAE exchange centre & Co. Lic	1,666,265 36,679	471,552
Nordea bank Plc, Finland Cimb Bank Berhad	6,008,494	5,921,925
Punjab National bank - ACU	29,750,759	80,464,737
Alliance Bank Malaysia Berhad	5,648,313	2,879,313
National Australia Bank Ltd	25,228,298	12,962,418
Public Bank - Berhad	1,295,250	748,647
RHB Bank Berhad Malaysia - BDT	3,802,517	3,966,860
OCBC Bank Malaysia - BDT	1,445,694	3,662,012
Hong Leong Bank Malaysia - BDT	2,614,538	2,913,131
Affin Bank	2,619,923	3,127,265
United Overseas Bank (Malaysia) BHD - BDT	941,766	641,495
Gulf Bank KSC Kuwait - BDT	1,260,714	1,834,918
Ahli United Bank K.S.C.	437,628	352,987
Emirates NBD Bank PJSC	4,911,014	13,029,863
Ahli United Bank BSC	969,838	132,300
Barclays Bank PLC, London	4,989,953	4,992,453
DFCC Vardhana Bank LTD.	15,155,180	12,800,570
Bank Muamalat Malaysia Berhad	6,610,603	27,847 44,009,235
Indusind Bank LTD. Hatton National Bank LTD.	15,515,210	5,584,658
Sampath Bank Ltd, Colombo	34,612,718	24,526,279
UCO Bank Treasury Branch, Mumbai	24,454,836	29,371,762
RHB Islamic Bank Berhed	2,765,782	3,048,972
National Development Bank PLC.	22,566,886	26,800,201
MCB Bank Ltd. Colombo	411,907	1,237,786
Meezan Bank Limited	25,404,075	34,862,126
Nordea Bank Norge, Oslo	-	603,430
Samba Bank limited	21,375	26,664
Druk PNB Bank Limited, Bhutan	847,924	861,040
Bank Islam Malaysia Berhad	4,162,465	3,048,574
NMB Bank Ltd	7,777,572	6,996,589
Kotak Mahindra Bank Limited	279,397,962	279,746,126 500,164
Bank of Kathmandu Ltd	8,732,834	8,723,561
Citizens Bank International Limited Bank AlJazira	2,355,047	1,045,869
Bank Aljazira Nations Trust Bank	9,601,100	56,525,135
Nations Trust Bank Malayan Banking Berhad	5,650,895	9,201,383
The Bank of Tokyo Mitsibishi UJF Ltd	-	733,703
Bank of Tokyo Mitsubishi UJF Ltd	291,982,716	4,529,446
Australiab and New Zealand Banking Group	11,757,377	8,563,506
Afrasia Bank Limited	158,501	161,691
Bank of Ayudhya Plc (Head Office)	598,500	599,000
Bank of Ayudhya PLC Bangkok Sathor	598,500	599,000
Saudia British Bank	2,831,324	6,592,194
Gulf International Bank (UK) Ltd	88,415,211	63,197,545
Nordea Bank	-	85,044
IFIC Bank NCS A/C	690	-
Kasikorn Bank Public Co Ltd	620,321	-
	1,379,977,497	1,057,914,567

	Nepal Rastra Bank KTM Royal Monetary Authority of Bhutan	
D.	Overdrawn Nostro Account Balances SCB New York - USD	

C. Borrowing from Abroad

Ε.	Margin Deposit from Banks
	SCB London
	Bank of China
	KBC Bank NV, Belgium

F. Total Vostro (A+B+C+D+E)

Secured

14.2 Borrowings from other banks, financial institutions and agents		
Inside Bangladesh Outside Bangladesh	6,629,058,321 9,390,782,178	1,095,813,270 9,889,060,250
	16,019,840,499	10,984,873,519
14.3 Borrowings from other banks, financial institutions		

6,629,058,321

9,390,782,178

16,019,840,499

9,390,782,868

1,612,902,946

1,612,902,946

2,544,108,973

2,544,108,973

46,694

676,596 350,018

1,073,308

2,308,625,993

2,308,625,993

3,096,873,964

3,096,873,964

46,694

677,378 320,070

1,044,142

9,889,060,250

1,095,813,270

10,984,873,519

14.4 Borrowings from other banks, financial institutions

and agents - secured and unsecured

and agents - residual maturity grouping		
Up to 1 month	8,424,259,928	8,917,385,339
More than 1 month but not more than 3 months	3,414,187,540	456,497,633
More than 3 months but not more than 1 Year	3,725,879,671	1,610,990,547
More than 1 Year but not more than 5 Years	455,466,667	-
More than 5 Years	46,694	-
	16,019,840,499	10,984,873,519

15 Deposits and other accounts

Current and other accounts	129,255,552,832	91,551,680,600
Bills payable	2,075,654,967	2,362,731,510
Savings deposits	85,720,177,119	75,905,193,687
Term deposits	50,440,255,249	62,286,867,480
Short term deposits	17,056,811,988	20,949,035,226
Other deposits (payable on demand)*	9,868,674,144	9,321,126,127
Islamic- Al-Wadeeah Current Account Deposits	1,345,037,394	947,821,149
Islamic-Bills payable	-	-
Islamic-Mudaraba Savings Deposits	11,301,304,580	8,778,469,806
Islamic-Mudaraba Term Deposits	3,944,787,094	7,531,432,503
Islamic-Mudaraba Special Notice Deposits	67,064,150	37,249,523
Islamic-Other deposits*	100,573,215	63,692,793
	311,175,892,732	279,735,300,405

'Other deposits include BDT 51,514,122 which had remained unclaimed for more than 10 years. We had served 3 months' notice to clients for claim. In April 2021, residual unclaimed balances will be surrender to Bangladesh Bank after deducting the balance of those accounts which were either paid to customer or regularizing the account.

15.1 Residual maturity grouping of deposits and other accounts

(other than bank deposit)		
Repayable on demand Repayable within 1 month Over 1 month but within 6 months Over 6 months but within 1 year Over 1 year but within 5 years Over 5 years but within 10 years	239,793,678,247 27,098,996,191 22,564,331,045 13,328,430,474 7,687,054,337 703,402,437	188,365,224,005 32,902,637,275 32,639,376,552 12,464,900,155 12,532,383,347 830,779,070
	311,175,892,732	279,735,300,405
Other liabilities		
Lease liabilities Interest payable	1,147,647,668 1,490,487,259	983,961,511

16 Ot

)	Other liabilities			
	Lease liabilities	1,147,647,668		983,961,511
	Interest payable	1,490,487,259		1,465,270,656
	Specific provision for loans and advances (Note 16.1)	4,784,661,137		3,515,331,426
	General provisions (Note 16.1)	4,638,569,114		5,309,180,451
	Special General Provision- COVID-19 (Note 16.1)	201,271,870		-
	Interest suspense account (Note 16.2)	777,988,430		495,810,715
	Net defined benefit liability (Note 16.3)	872,415,198		-
	Provision for income tax (Note 16.4)	6,086,250,548		5,512,010,155
	Accruals for performance bonus	479,266,672		668,469,926
	Other provisions	190,576,782		208,626,734
	Accrued expenditure	606,765,977		653,851,134
	Suspense account	2,174,437,162		1,396,463,878
	Sundry creditors	410,853,292		1,035,484,627
	Deferred tax liability (Note 13.2)	827,722,629		646,423,696
	VAT payable	267,099,235		121,079,694
	Withholding tax payable	317,617,081		429,646,616
	Disputed tax on profit remittance (Note 16.5)	9,194,384,567		7,767,485,465
	Guarantee claim awaiting reimbursement	-		-
	Unamortised fees	-		-
	Unrealised loss on forward contracts	10,431,959		20,657,256
	Accrued bonus points	22,111,912		18,030,806
	Funds held from clients	320,420,305		608,193,179
	Rental payable	99,200		116,592
	Adjustment due to use of Bangladesh Bank conversion rate	842,095		-
	Others	996,055,482		807,860,291
		35,817,975,574	ľ	31,663,954,808



N	otes to the Financial Statem	nents		
			<u>2020</u> <u>Taka</u>	2019 <u>Taka</u>
6.1	Provision for loans and advances and off-balance General provision (GP)	e sheet exposures		
	Opening balance Provision charge / (release) during the year Special General Provision- COVID-19		5,309,180,451 (1,176,503,086) 201,271,870	5,126,047,084 227,775,264
	Provision on off-balance sheet exposures charge / Charge / (release) in profit and loss account Closing balance	/ (release)	505,891,749 (469,339,467) 4,839,840,984	(44,641,897) 183,133,367 5,309,180,451
	Specific provision (SP) Opening balance		3,515,331,426	3,754,348,560
	Add: Provision made during the year Less: Release/Recovery during the year Less: Written-Off during the year		2,066,542,164 (313,804,093) (463,291,899)	1,877,241,116 (626,777,554) (1,489,717,638)
	Add : Translation increase/(decrease) Add : Other movement Closing balance		(20,116,461) 4,784,661,137	236,943 - 3,515,331,426
	Closing balance (GP and SP) Charge / (release) in profit and loss account		9,624,502,121	8,824,511,877
	General provision Specific provision Charge during the year		(469,339,467) 2,066,542,164	183,133,367
	Release/Recovery during the year Recovery of debts previously written-off		(313,804,093) (79,535,265) 1,673,202,806	(626,777,554) (158,216,261) 1,092,247,300
٠.	Total Charge/ (release)	Base for	1,203,863,339	<u>1,275,380,667</u> 2019
0.1	Adequacy of provision vis a vis provision required to be maintained	provision 2020	Taka	Taka
	General provision On off-balance sheet exposures at various rates On standard loans at various rates	335,663,119,794 212,673,137,426	2,225,254,678 2,611,259,745	1,719,362,928 3,584,380,234
	On special mention accounts (SMA) at various rates		3,326,560 4,839,840,983	5,437,287 5,309,180,449
	Specific provision On sub-standard loans and advances On doubtful loans and advances	663,604,314 414,036,401	90,253,685 130,293,386	130,736,188 118,126,495
	On bad / loss loans and advances	1,495,544,889 2,573,185,604	1,495,544,889 1,716,091,960	2,181,298,120 2,430,160,803
	Total provision required to be maintained Total provision maintained Excess / (deficit) provision at 31 December		6,555,932,943 9,624,502,121 3,068,569,179	7,739,341,252 8,824,511,877 1,085,170,625
			, -,	, -,
0.2	Interest suspense account Opening balance Addition during the year		495,810,715 533,490,582	591,027,930 239,592,343
	Addition during the year Amount of recovery during the year Waived during the year		(224,379,190) (5,073,986)	(192,236,636) (12,419,188)
	Written off during the year Transferred to Specific Provision		(21,859,691) - 777,988,430	(130,153,734) - 495,810,715
6.3	Net defined benefit (asset) / liability Present value of defined benefit obligation (Note - 1)	6.3.1)	4,376,743,905	3,112,895,297
	Fair value of plan assets (Note - 16.3.1) Net defined benefit (asset) / liability	,	(3,504,328,707) 872,415,198	(3,227,546,532) (114,651,235)
6.3	1 Movement in net defined benefit (asset) liabi			
	Changes in the present value of defined bene Opening balance Current Service Cost	efit obligations	3,112,895,297 317,259,640	3,267,936,297 302,724,000
	Interest cost Past Service Costs Remeasurement losses (gain)		269,304,302 - 936,700,666	233,199,000 - (531,737,000)
	Benefit paid Closing balance		(259,416,000) 4,376,743,905	(159,227,000) 3,112,895,297
	Changes in the fair value of plan assets Opening balance Expected returns on plan assets		3,227,546,532 294,788,501	2,407,313,000 179,328,000
	Contribution received Remeasurement (losses) / gain Benefit paid		317,259,639 (75,849,964) (259,416,000)	777,034,532 23,098,000 (159,227,000)
6.4	Closing balance Provision for income tax		3,504,328,707	3,227,546,532
	Opening balance Provision made during the year Amount paid during the year		5,512,010,155 5,879,053,788 (5,303,627,345)	4,790,216,342 5,645,827,851 (4,928,032,831)
	Translation increase / decrease Closing balance		(1,186,050) 6,086,250,548	3,998,793 5,512,010,155
6.5	Disputed tax on profit remittance Opening balance Addition during the year		7,767,485,465 1,427,327,471	6,999,464,350 763,650,000
	Translation increase / decrease Closing balance		(428,369) 9,194,384,567	4,371,115 7,767,485,465
7	Other reserves General reserve Actuarial gain/(loss)		735,905 (274,629,860)	735,905 332,900,250
	Revaluation reserve account Equity reserve - amortisation on HTM securities		438,236,338 316,406,048 480,748,431	38,185,692 258,962,890 630,784,737
В	Profit and loss account balance Movement in profit and loss account balance has be	neen detailed in state		
	Opening balance	Jeen detailed in State	61,339,450,488	53,856,091,013
	Revaluation of foreign currency Profit remitted to Head Office Net profit for the year		(7,199,544) (9,515,516,471) 13,674,547,674	(251,567,639) (5,091,000,000) 12,825,927,113
9	Closing balance Interest income		65,491,282,148	61,339,450,488
	Secured cash credits Personal Credit Loans against property		2,932,822 3,526,850,804 51,327,603	3,022,743 4,471,635,772 109,272,235
	Term loans Revolving loans		5,819,831,556 864,721,978	5,352,247,308 1,028,509,837
	Loans against trust receipts Auto loans House building loan		307,450,732 109,657,254 1,135,635,496	481,818,070 138,277,630 1,206,448,315
	Credit cards Overdraft Diminishing Musharaka		1,075,623,619 592,779,453 335,711,341	1,033,170,365 654,667,978 450,421,689
	Musharaka Murabaha Hire Purchase Shirkatul Melk (HPSM)		14,270,694 37,464,470 530,709,015	69,612,262 52,412,538 648,733,418
	Bills discounted and purchased Money market loan		3,639,417,626 72,189,959	5,079,787,113 58,393,808
	Bank placement Nostro account balances Bangladesh Bank - FCY		131,577,529 4,290,687 41,868,837	946,990,244 38,129,022 62,952,238
	Reverse repo		564,666,215 18,858,977,691	417,889,237 22,304,391,822
0	Interest expense on deposits and borrowings Fixed deposit Due to Bangladesh Bank		2,092,176,058 71,931,180	2,608,644,572 7,430,141
	Special nottice deposit Savings account Repo		253,880,886 712,157,037 153	396,994,394 667,375,696 915
	Nostro account balances Deposit insurance premium		17,194,305 186,863,677	467,613,518 181,059,548
	Others Mudaraba term deposits Mudaraba special nottice deposit		46,156,148 152,647,130 7,740	196,831,757 384,196,149 42,442
	Mudaraba savings deposits Mudaraba - Deposit insurance premium		123,000,723 11,628,179 3,667,643,215	52,594,046 8,512,542 4,971,295,719
1	Income from investments		,_,_	, , , , , ,
•	Income from Investments Interest from Government Bonds and Treasury Bills Gain / (loss) arising from disposal of government sec	curities	4,394,203,907 544,227,017	2,263,443,463 (140,677,501)

23	Other operating income	<u>2020</u> <u>Taka</u>	2019 <u>Taka</u>
	Gain on sale of fixed assets	-	
	Miscellaneous income	(579,187)	8,021,863
		(579,187)	8,021,863
24	Repair, maintenance and depreciation		
	Repair and maintenance	206,715,294	211,249,385
	Depreciation (Annexure - A)	522,249,926	442,045,47
		728,965,220	653,294,86
25	Other expenses		
	Non lending losses	-	8,121,400
	Travelling and transportation	74,445,066	85,530,225
	Support services	220,857,825	227,320,948
	Subscription	64,504,065	6,445,967
	Entertainment Security services	3,883,431	33,959,014 55,708,686
	Computer expenses	49,479,197 35,974,629	77,367,384
	Training & Workshop	8,267,309	42,279,125
	Car Running Expenses	-	627,345
	Staff Insurance expenses	156,052,931	141,146,062
	Archiving and Document Storage	29,057,845	26,622,691
	Bank charges (Corresponding Bank)	12,113,582	12,283,547
	Card Production costs	40,583,635	58,946,538
	Property verification charges	47,745,315	55,840,520
	Security delivery services	24,463,213	29,674,738
	Clearing House Charges	7,965,046	10,041,862
	Collection Expenses -General	6,287,093	24,110,371
	Other	155,962,500 937,642,683	219,891,276 1,115,917,70 0
			1,110,011,100
26	Cash and cash equivalents		
	Cash in hand (including foreign currencies)	4,436,744,792	4,034,100,121
	Balance with Bangladesh Bank	48,079,378,333	23,065,076,539
	Balance with Sonali Bank (agent of Bangladesh Bank) Balance with other banks and financial institutions	36,821,639,650	32,717,595,887
	Balance with other banks and imancial institutions	89,337,762,775	59,816,772,547
27	Contingent liabilities and commitments		
	Acceptances and endorsements	39,404,568,215	29,934,857,807
	Letters of quarantee (Note 27.1)	160,732,883,601	145,080,402,88
	Irrevocable letters of credit	57.651.070.698	47.195.450.262

Notes to the Financial Statements

27.1 Claims against the Bank not acknowledged as loan for which the Bank is contingently liable in respect of guarantee issued favouring:

Government	-	-
Bank and financial institution	138,717,714,078	122,775,287,706
Others	22,015,169,523	22,305,115,175
Total	160,732,883,601	145,080,402,881
•		
Tax provision on head office allocated expenses		

Undrawn formal standby facilities, credit lines and other commitments

The Bank claims full amount of Head Office Administrative Expenses (HOAE) as deductible expense for tax purposes in line with provision under para 7 (Business Profit) of the Double Taxation Avoidance Agreement between the Government of Bangladesh and United Kingdom. The claim has been allowed 10% of Profit Before Tax (PBT) by the Tax Authority on Year on Year (YOY) basis considering the provision of section 30(g) of Income Tax Ordinance, 1984. The rest of the amount (i.e. 90% of PBT) is being disallowed by Tax Authority. This matter was pending with High Court for which we had been awarded with the full benefit of HOAE vide the verdict serial no. 1571 dated 10 January 2013 against Income Tax reference application no. 345 of 2008 and 190 of 2009. However, the appellate division of the Supreme Court received an appeal against the verdict by the Tax Authority for which the litigation still pending for a number of years.

29 Related party transactions

Bills for collection

Forward contracts

Directors

29.1 Related parties

The related parties of the Bank include Standard Chartered (SC) Plc, other group entities, key management personnel of SC Plc and the Bank as well as their close family members and its post-employment benefit

The Bank, not being incorporated in Bangladesh, operates in Bangladesh under the banking licence issued by Bangladesh Bank and therefore the key management personnel of the Bank for the purpose of IAS 24 are defined as those persons having authority and responsibility for planning, directing, controlling the Bank, being members of the Country Management Team (CMT) of the Bank, and close members of their families and companies they control, or significantly influence, or for which significant voting power is held

29.2 Transactions with group entities

The Bank provides and receives certain banking and financial services to / from entities within the Group. As at the year end the balances with these entities are disclosed in Note - 7 under Group Nostro and in Note - 14.1 under Group Vostro and Overdrawn Nostro Account Balances

The disclosure of the year end balance is considered to be the most meaningful information to represent transactions during the year. The outstanding balances include deposits kept with or by the Bank and arise in the ordinary course of business and are on substantially the same terms as for comparable transactions with third parties

29.3 Transactions with key management personnel of the Bank and of its parent (SC Plc) During the year, transactions with the key management personnel of the Bank include the following:

	Taka	Taka
Salaries and other short-term employee benefits	200,641,721	181,436,834
Bonuses paid or payable	126,141,018	92,989,730
Post employment benefits - provident fund and gratuity fund	48,115,718	41,457,015
	374.898.457	315.883.579

Loans to senior management (CMT) of the Bank amounted to Tk. 204,437,151 as at 31 December 2020 (2019: Tk. 209,832,424) included in Note 10.3 at rates applicable to employees of the Bank. No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key managenent personnel and their immediate relatives at the period end

29.4 Transactions with post employment benefit plans

The Bank has two post-employment benefit plans, a provident fund which is of the nature of a defined d a funded gratuity so described in Note 4.2.9 Employee benefits. The Bank contributes to the provident fund in accordance with the requirements of the Trust Deed of the fund while its contributions to the gratuity scheme are determined

by a professional actuary. The responsibility for management and administration of these plans resides with the Trustees of these schemes. The Trustees are selected among the employees of the Bank. The Bank does not charge these schemes any fees for management or administrative purposes.

In 2020, the Bank contributed BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided by the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided by the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided by the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the provided BDT 317,260,442 to the gratuity fund and BDT 383,264,579 to the gratuity fund an fund. As at 31 December 2020, the provident fund had a balance of BDT 85,925,146 (2019: BDT 42,133,038) and the gratuity fund had a balance of BDT 117,004,264 (2019: BDT 65,098,379) deposite with the Bank. The Bank pays interest at the rate of 3.01% on Provident Fund & 2.11% on Gratuity Fund deposits. Interest expense incurred by the Bank on deposit maintained with it in 2020 by the provident fund amounted to BDT 2,254,207 (2019: BDT 1,926,497) and on deposit maintained with it in 2020 by the gratuity fund amounted to BDT 2,240,104 (2019 : BDT 18,036,956)

30 General

30.1 Reconciliation of books of accounts

There were no unidentified and unreconciled balances in the inter-branch accounts (inside and outside Bangladesh) as at 31 December 2020.

30.2 Core risk management

30.2.1 Credit risk

2,145,265,962

4.382.503.960

22.500.000

4,960,930,923

3.730.727.884

22 500 000

Being branches of Standard Chartered Plc ("Group"), Standard Chartered Bank (SCB), Bangladesh Branches ("the Bank") maintains/follows constructive and competitive credit risk culture. This has served the Bank well through successive economic cycles and remains valid. This culture is determined and underpinned by the disciplined credit risk control environment which the Bank has put in place to govern and manage credit risk and is embodied in the formal policies and procedures adopted by the Bank. These are articulated through SCB credit policies together with Bangladesh Bank regulations and guidelines. Formal policies and standards cover all areas of credit lending and monitoring processes including:

- CCIB Client Coverage and PvB Credit Risk Type Framework
- Credit Policy for CIB & CB
 - · General Lending Standard · Credit Grading Standards
- · General Credit Risk Mitigation Standard · Credit Documentation Standard; etc. Retail Credit Risk Management Policy
- Credit Risk Management Standards
 - Retail Credit Process Standards
- Collections Process and Management Standards • Retail Banking Credit MIS Standards
- Impairment and Loss recognition Policy

Credit Risk is an integral part of overall Enterprise Risk Management. At the heart of these processes is a robust framework of accountability. The Bank operates a system of personal credit authorities. The Bank has set up a Country Risk Committee (CRC) comprising most of the senior members of the bank in Bangladesh including CEO and CRO and other risk related function Heads to manage various risks within the bank including credit risk. Apart from CRC, credit risk is being monitored through different risk governance forums both inside and outside country on a regular interval. Businesses and Functions are engaged in supporting revenue generating activities – own and manage credit risk including loan losses that may arise within their loan portfolios.

Notes to the Financial Statements

30.2.2 Internal control and compliance

Compliance is recognised as one of the core functions in the 'Guidelines on Internal Control and Compliance in Banks' of Bangladesh Bank. In line with the 'Enterprise Risk Management Framework', Standard Chartered Bank, Bangladesh has adopted 'Three Lines of Defence (3LOD)' model based on principles and standards for managing risks across its all branches and units. Accordingly, Group Internal Audit, Country Operational Risk and Conduct, Financial Crime and Compliance (CFCC) are the relevant functions to perform activities of Internal Audit, Monitoring & Control and Compliance respectively for the purpose of meeting the regulatory obligations under the ICC Guidelines. The CFCC team is adequately resourced and the Country Head of CFCC reports directly to Global Head, CFCC, CPBB & AME and Compliance, ASA and to Chief Executive Officer, Bangladesh as dotted line for administrative purposes only. The team has necessary independence in terms of executing defined roles and responsibilities. It also supports country management to ensure regulatory compliance in all its

Country Operational Risk, as a Second Line of Defence, is responsible to identify and manage non-financial risk in accordance with Operational Risk Type Framework. Country OR engages with 1st line of defence to rollout effective control to mitigate Operational Risk. Country OR ensures oversight and challenge activities for effectiveness of the methods, processes and tools used for risk identification, assessment, mitigation and monitoring to operate within Risk Appetite.

Group Internal Audit (GIA) operates as the third line of defence in providing independent assurance of

the effectiveness of management's control of its own business activities (the first line) and of the processes maintained by the Risk Control Functions (the second line). GIA provides assurance that the overall system of control effectiveness operates as required within the Risk Management Framework. In addition to its audit planning and execution, GIA works in a co-ordinated manner with the Group's other control functions to determine the overall adequacy of controls throughout the Group, placing emphasis on risk identification and remediation of those risk within reasonable time. The Group Head of Internal Audit reports directly to the Chairman of the Group Audit Committee and to Group Chief Executive Officer for administrative purpose only. In the country, there is a Country Head of Audit who reports to regional Head of Audit, Asia and locally to the CEO for administrative purposes only. This ensures that GIA has the necessary authority to exercise independence and objectivity to express opinions on the control environment and management risk awareness.

Standard Chartered Bank Group intranet (thebridge) is the host of relevant policies and standards, laws, regulations, Group Code of Conduct and Group requirements applicable to its banking activities across the globe. Group policies are to be read in conjunction with Country Addendums which cover any country specific requirements. The Enterprise Risk Management Framework also recognises compliance risk as a Principle Risk and has implemented necessary policies and standards to promote good compliance culture, practices and controls which are outlined in the Group Code of Conduct.

30.2.3 Foreign exchange risk

18,739,039,482 15,256,083,496

33,397,830,517

289,641,786,231

38,902,112,731

335.663.119.794

The Bank develops robust strategies aligned with market structure and directions to manage foreign exchange risk from dealings in foreign exchange products such as spot, forward and derivatives with clients within the purview of Bangladesh Bank regulations and its internal policies. Foreign exchange risk is defined as the potential change in earnings arising due to volatility in currency price movement and the exposure in foreign currencies. Foreign exchange risk is managed through a strong risk framework which is monitored and reported by separate independent risk units regularly which is also complemented by several regulatory submissions. Changes in policy, limits and regulations are escalated and adhered to senior management in a timely manner as per existing risk framework.

The Bank has an established Asset & Liability Committee (ALCO) to ensure better management of asset and liability risk. The primary responsibilities of ALCO are to ensure that prudential liquidity, capital adequacy, loss absorbing capacity, leverage, interest rate risk in the banking book and banking book basis risk are managed and maintained in accordance with the Group's risk management frameworks. risk appetite and regulatory requirements.

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 rate risk and makes necessary changes in its mix as and when required.

The Bank has specified liquidity and funding ratio to be maintained 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 behavioural 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 ADR, CRR, SLR and capital adequacy are reviewed by

30.2.5 Prevention of money laundering and terrorist financing

The Bank follows Group-wide policy and standards for anti-money laundering (AML) and combating financing of terrorism (CFT) based on the requirements of the UK Financial Conduct Authority and Prudential Regulation Authority and industry guidance such as the Joint Money Laundering Steering Group (JMLSG) and also other relevant laws and regulation. The Bank also follows the local Money Laundering Prevention Act 2012 & subsequent amendments (where applicable), Anti-Terrorism (Amendment) Act 2013 and Money Laundering Prevention Rules 2019 /Anti-Terrorism Rules 2013 and Bangladesh FIU Guidance Notes /circular/circular letter/ directives (as issued from time-to-time

Where required, the Bank has Country-Addendum/ Dispensation against group policy/standard which addresses the requirements of local legislation/regulations. There is a country financial crime risk committee (CFCRC) to ensure appropriate governance of Financial Crime risk at the country level.

The Bank has robust Customer Due Diligence (CDD) procedure and Transaction Surveillance mechanism to fight against financial crime. It performs risk based due diligence on all new customers, including verification of their identity and, where appropriate, an assessment of the source of their wealth and funds. Bank uses sophisticated software systems to monitor transactions for suspicious behaviour associated with AML /CFT. Besides this, internal audit teams conduct periodic reviews / independent quality assurance to ensure the Bank is in compliance with the group and regulatory standards

Bank has mandatory e-learning modules on AML/CFT which all staff have to complete with pass marks and annual refresher training needs to be done by all staff. There are standard record retention and retrieval procedures.

The Bank has local T&I team to provide technology services and support to all the departments of the Bank. T&I team manages Country Data Centre, end user support, server and storage support, application support and network support. It also manages all technology projects, vendor management, cost and T&I risk based on the Bank's standards and processes. All day to day activities are performed by online problem, change and request management system. T&I team provides monthly reports to local and Group Senior Managements, which cover the following:

- All technology projects and business projects (where technical support requires)
- Technology activities and achievements Technology cost and budget
- Technology risks

The Bank has a robust Business Continuity and Disaster Recovery Plan in place to ensure smooth business in case of any major disaster. This plan is reviewed and tested as per yearly schedule.

For Covid-19, we have reinforced the work from home facilities to SCB employees for smooth business

T&I team also facilitates information security awareness and takes necessary measures to prevent data leakage. There are different global teams supporting country technology. Software development / enhancement and production system supports are provided by these teams.

SCB Bangladesh operates as a branch of SCB Plc and does not have a local Board of Directors to form an audit committee in Bangladesh. Under this backdrop, the bank has received a dispensation from Bangladesh Bank on 24 March 2011 on the requirement of audit committee as stipulated in BRPD circular number 12 dated 23 December 2002. At the country level, the Bank has established the Country Management Team, Business Operations Risk and Country Operations Risk Forums which are responsible and empowered to oversee the overall control issues of the bank. These committees review / monitor $\frac{1}{2}$ the business risks and control issues and provide necessary directives in this regard as well as escalate significant issues to the Global Risk Committee through the relevant regional committees. The Bank has an internal audit department who directly reports to the Board Audit Committee located in UK . In addition to this, the Bank is subject to audit by the internal auditors of the Group.

There were no material events that occurred after the balance sheet date, which could affect the values stated in the financial statements or warrant disclosure.

- The net amount of foreign currency exposures/position as at 31 December 2020 was 30.4 USD 14,442,777 equivalent BDT 1,224,776,410
- 30.5 The figures appearing in these financial statements have been rounded off to the nearest BDT.
- 30.6 Last year's figures have been rearranged, wherever necessary, to conform to current year's presentation.
- 30.7 The assets and liabilities (except for the items mentioned in Annexure B) as of 31 December 2020 and 31 December 2019 in foreign currencies have been converted into Taka at the following rates:

		31 Dec 203 <u>Taka</u>	20 31 Dec 2019 Taka
GBP 1	=	114.8	8304 111.3591
EUR 1	=	103.9	
USD 1	=		8020 84.9000
CAD 1	=		2723 64.9380
AUD 1	=	64.8	8947 59.3960
SGD 1	=	63.9	9991 62.9332
SAR 1	=	22.0	6006 22.6322
MYR 1	=	24.4	4793 24.4793
DKK 1	=	13.9	9769 12.7302
NOK 1	=	9.8	8875 9.6350
HKD 1	=	10.9	9386 10.9014
SEK 1	=	10.3	3598 9.1023
JPY 1	=	0.8	8206 0.7780
CHF 1	=	95.8	8594 87.2828
AED 1	=	23.0	0870 23.1335
Naser Ezaz Bijoy			odul Kader Joaddar
Chief Executive Officer, Bangladesh			icial Officer, Bangladesh
Dated: 25 February 2021		One Find	ciai Cilicei, Dangiadesii



** Commission Includes export income BDT 648,730,916 (2019: BDT 796,076,928) and

custodial service income for stock exchange BDT 78,554,090 (2019: BDT 109,235,454).

22 Commission, exchange and brokerage income

Dividend from CDBL shares

Commission income**

Exchange income



Bangladesh Branches Schedule of fixed assets including premises, furniture and fixtures

47,576,000

394 991 838

6,099,087,099

as at 31 December 2020											
I		Cost Depreciation									
	Balance as at 1 January 2020	Additions during the year	Disposals/ adjustments during the year	Balance as at 31 December 2020	Balance as at 1 January 2020	Charge for the year	On disposals /adjustments	Balance as at 31 December 2020	value as at 31 December 2020		
						·					
ı	-	-	-	-	-	-		-	-		
ı	1,164,699,473	4,614,122	-	1,169,313,595	1,118,119,185	18,363,409		1,136,482,594	32,831,000		
1	1,649,484,214	144,907,389	-	1,794,391,603	1,410,825,086	119,138,899		1,529,963,985	264,427,618		
	607,571,199	11,317,434	-	618,888,633	521,317,463	27,250,489		548,567,952	70,320,681		
ı	73,925,431	-	-	73,925,431	64,190,778	6,582,731		70,773,509	3,151,921		
ľ	3,495,680,317	160,838,945		3,656,519,262	3,114,452,513	171,335,528		3,285,788,041	370,731,221		

47,576,000

350 914 397

350,914,397

522,249,925

271 857 599

319,433,595

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2019 Amount in											
	Cost Depreciation										
Particulars	Balance as at 1 January 2019	Additions during the year	Disposals/ adjustments during the year	Balance as at 31 December 2019	Balance as at 1 January 2019	Charge for the year	On disposals /adjustments	Balance as at 31 December 2019	value as at 31 December 2019		
Own assets											
Free hold premises	-	-	-	-	-	-	-	-	-		
Fixed equipments	1,144,254,321	20,445,152	-	1,164,699,473	1,092,304,209	25,814,977	-	1,118,119,185	46,580,287		
Computer and office equipment	1,489,267,429	160,216,785	-	1,649,484,214	1,308,690,400	102,134,686	-	1,410,825,086	238,659,128		
Furniture and fittings	538,171,564	69,399,635	-	607,571,199	488,137,665	33,179,798	-	521,317,463	86,253,736		
Motor vehicle	73,925,431	-	-	73,925,431	73,925,431 55,239,464 8,951,315	- 64,190,778	9,734,652				
Sub-total	3,245,618,745	250,061,571		3,495,680,317	2,944,371,737	170,080,776		3,114,452,513	381,227,804		
Leased assets											
Leased assets	47,576,000	-	-	47,576,000	47,576,000	-	-	47,576,000	-		
IFRS 16 right of use assets (ROU)	-	1,955,079,256	(107,107)	1,954,972,149	-	271,964,702	(107,107)	271,857,595	1,683,114,554		
Sub-total	47,576,000	1,955,079,256	(107,107)	2,002,548,149	47,576,000	271,964,702	(107,107)	319,433,595	1,683,114,554		
Total 2019	3,293,194,745	2,205,140,827	(107,107)	5,498,228,465	2,991,947,737	442,045,478	(107,107)	3,433,886,108	2,064,342,357		

Balance with other banks and financial institutions (Outside Bangladesh)

456 075 728

456,075,728

(16.056.039)

(16,056,039)

47,576,000

1 954 972 149

2,002,548,149

Standard Chartered Bank

Bangladesh Branches

2020

Balance with other banks and financial institutions (Outside Bangladesh) as at 31 December 2020

	Currency		_0_0		2010			
Particulars	name	Foreign currency	Exchange rate	Equivalent local currency	Foreign currency	Exchange rate	Equivalent local currency	
Non Group Nostro								
Royal Bank of Canada, Toronto	CAD	110,634	66.31	7,336,187	114,300	64.97	7,425,821	
Nordea Bank Norge, OSLO	NOK	48,516	9.89	479,918	9,649	9.63	92,910	
Credit Suisse Zurich	CHF	410,749	96.00	39,433,924	30,889	87.32	2,697,283	
Westpac Banking Corporation	AUD	-	64.94	-	11,642	59.39	691,400	
Al Rajhi Bank	SAR	122	22.60	2,753	122	22.63	2,757	
Nordea Bank	SEK	21,923	10.37	227,359	-	9.09	-	
Nordea Bank Denmark	DKK	3,018	14.00	42,247	-	12.72	-	
Australia and New Zealand Banking Group	AUD	16,845	64.94	1,093,915	-	59.39	-	
Total				48,616,302			10,910,171	

Balance with other banks and financial institutions (Outside Bangladesh)

Standard Chartered Bank Bangladesh Branches

Balance with other banks and financial institutions (Outside Bangladesh) as at 31 December 2020

5	C		2020			2019		
Particulars	Currency name	Foreign currency	Exchange rate	Equivalent local currency	Foreign currency	Exchange rate	Equivalent local currency	
Group Nostro								
On Shore:								
SCB HongKong -HKD	HKD	17,221	10.94	188,374	3,390	10.90	36,961	
SCB Nepal Nostro -USD	USD	1,230,777	84.80	104,371,217	1,447,041	84.90	122,853,795	
SCB London -GBP	GBP	391,941	115.21	45,154,206	312,212	111.36	34,768,986	
SCB Bombay ACU -EUR	EUR	6,999	104.13	728,778	6,999	94.82	663,584	
SCB Bombay ACU -USD	USD	7,291,006	84.80	618,285,302	4,467,916	84.90	379,326,077	
SCB Karachi ACU -USD	USD	1,719,974	84.80	145,855,703	1,666,767	84.90	141,508,522	
SCB Colombo ACU -USD	USD	2,565,500	84.80	217,557,245	3,075,377	84.90	261,099,483	
SCB Frankfurt -EUR	EUR	454,198	104.13	47,296,349	1,014,102	94.82	96,153,406	
SCB London -USD	USD	380,000,000	84.80	32,224,418,000	350,000,000	84.90	29,715,000,000	
SCB Singapore -SGD	SGD	9,284	64.01	594,311	-	62.94	-	
SCB Tokyo -JPY	JPY	183,184,093	0.82	150,576,383	316,724,716	0.78	246,414,006	
SCB London -USD	USD	19,410	84.80	1,646,017	263,932	84.90	22,407,827	
SCB Dubai -AED	AED	1,023,940	23.09	23,639,705	374,506	23.13	8,663,633	
SCB Hongkong -CNY	CNY	21,316	13.00	277,041	10,088	12.15	122,596	
Off Shore:								
SCB New York -USD	USD	29,759,297	84.80	2,523,621,104	10,998,213	84.90	933,748,291	
SCB London -GBP	GBP	-	115.21	-	38,294	111.36	4,264,526	
SCB Frankfurt -EUR	EUR	4,377,103	104.13	455,794,393	1,327,101	94.82	125,830,828	
SCB Tokyo -JPY	JPY	3,493	0.82	2,871	2,993	0.78	2,329	
Total				36,560,006,999			32,092,864,850	

Liquidity Statement

Particulars

Computer and office equipme

IFRS 16 right of use assets (ROU

Own assets

Motor vehicle Sub-total

Leased assets

Leased assets

Sub-total

Total 2020

Free hold premises

Fixed equipments

Furniture and fittings

Standard Chartered Bank

Bangladesh Branches

Liquidity Statement (Asset and Liability Maturity Analysis) as at 31 December 2020

Particulars	Maturity up to 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total
Assets Cash in hand Balance with Bangladesh Bank, agent bank,	52,516,123,125	-	-	-	-	52,516,123,125
other banks and financial institutions Money at call or short notice	20,709,259,650	16,112,380,000	-	-	-	36,821,639,650
Investments Loans and advances Fixed assets including premises,	18,296,602,249 39,680,893,149	39,096,017,205 58,037,329,129	53,863,309,794 56,257,199,863	5,544,092,612 44,837,588,589	562,246,164 17,414,714,415	117,362,268,024 216,227,725,145
furniture and fixtures Other assets Non-banking assets	2,472,112,652 -	1,449,441,945 -	1,060,053,300	- 107,104,843 -	2,143,768,156 1,185,053,142	2,143,768,156 6,273,765,882
Total assets	133,674,990,825	114,695,168,279	111,180,562,957	50,488,786,044	21,305,781,878	431,345,289,981
Liabilities Balance with Bangladesh Bank, agent bank, other banks and financial institutions Deposits and other accounts Provision and other liabilities (including equity)	8,424,259,928 266,892,674,439 3,208,446,981	3,414,187,540 10,322,818,736 3,068,662,391	3,725,879,671 25,569,942,783 7,095,691,626	455,466,667 7,687,054,337 11,916,408,201	46,694 703,402,437 78,860,347,550	16,019,840,499 311,175,892,732 104,149,556,750
Total liabilities	278,525,381,349	16,805,668,667	36,391,514,080	20,058,929,205	79,563,796,680	431,345,289,981
Net Liquidity Gap	(144,850,390,523)	97,889,499,612	74,789,048,877	30,429,856,839	(58,258,014,803)	

Financial Highlights 2020

SI. no.

Standard Chartered Bank Annexure - D **Bangladesh Branches**

31-Dec-20

Financial Highlights 31 December 2020

Particulars

1	Capital - fund deposited with Bangladesh Bank	Taka	2,359,550,597	2,361,728,446
2	Total capital	Taka	64,646,484,117	62,894,225,682
3	Capital surplus / deficit	Taka	38,100,514,715	35,722,532,668
4	Total assets	Taka	431,345,289,981	386,716,092,402
5	Total deposits	Taka	311,175,892,732	279,735,300,405
6	Total loans and advances	Taka	216,227,725,145	250,758,839,174
7	Total contingent liabilities and commitments	Taka	335,663,119,794	289,641,786,231
8	Advances / deposit ratio (DBO)	%	47.23%	62.00%
9	Classified advances as (%) of total advances	%	1.62%	1.67%
10	Net profit after tax and provisions	Taka	13,674,547,671	12,825,927,112
11	Amount of classified loans during current year	Taka	33,024,925	1,854,949,650
12	Amount of provisions against classified loans	Taka	4,784,661,137	3,515,331,426
13	Provision surplus / shortage	Taka	3,068,569,179	1,085,170,626
14	Interest expenses	Taka	3,667,643,215	4,971,295,719
15	Interest bearing assets	Taka	418,489,778,851	373,857,089,118
16	Non-interest bearing assets	Taka	12,855,511,130	12,859,003,284
17	Return on investment (ROI)	%	20.01%	19.94%
18	Return on assets (ROA)	%	3.34%	3.21%
19	Income from investment	Taka	4,960,930,923	2,145,265,962

Reconciliation between Bangladesh Bank's statement and the Bank's statement

Standard Chartered Bank Bangladesh Branches

Reconciliation between Bangladesh Bank's statement and the Bank's statement as at 31 December 2020 In order to comply with the CRR and SLR requirements, the Bank considers the actual balances held with Bangladesh Bank according to their (Bangladesh Bank) books of accounts. However, when preparing the statutory accounts the Bank considers the actual balances held with Bangladesh Bank according to the Bank's books of accounts. This results in

USD

82,805,700

82,805,706

476,437

As per Bangladesh Bank stateme

JPY

reconciling differences between the Bank's statutory accounts and CRR and SLR requirements As per Bangladesh Bank stateme Local currency Taka Taka Taka 37,736,453,541 38,008,301,313 (271,847,772)

Bangladesh Bank Dhaka Bangladesh Bank Chittagong Bangladesh Bank Sylhet Bangladesh Bank Khulna Bangladesh Bank Dhaka - Al Wadia C/A- BDT

Annexure - A

1 773 036 935

Annexure - B

Annexure - B

Annexure - C

31-Dec-19

669,530,903 1,773,036,935

3,955,318,943 2,143,768,156

47,576,000

621 954 903

(817 089)

(817,089)

2019

1 105 172 572 1.103.429.878 1,742,694 151,846,457 115,492,735 151,524,095 115,492,735 58,054,797 58,054,797 1,680,575,824 1,680,575,824 40,847,595,927 41,117,378,643 (269,782,716) 176,350,422 1,301,483,975

> Taka 5,640,294,803

951,901,487

54,709,452

105.559.202

48,079,378,333

Annexure - F

6,592,196,291

879,571,732

24.220.896 (269,782,716)

Reconciling difference

USD

16,294,365

(11,224,989)

5,069,376

(56,505)

(1,015,230)

Credited by the Bank but not debited by Bangladesh Bank Debited by the Bank but not credited by Bangladesh Bank Credited by Bangladesh Bank but not debited by the Bank Debited by Bangladesh Bank but not credited by the Bank As per Bangladesh Bank statemer

Foreign currency

USD clearing account

USD clearing account - OBU

8,776,633 Credited by the Bank but not debited by Bangladesh Bank Debited by the Bank but not credited by Bangladesh Bank Credited by Bangladesh Bank but not debited by the Bank 6.007.489 2,358,015 57,783 Debited by Bangladesh Bank but not credited by the Bank 5,069,376 As per the Bank's general ledge GBP GBP GBP clearing account GBP clearing account - OBU 476.437 419.932 48,220,979 56.505

USD

11,224,989

77,736,330

56,505

476,437

1,015,230

As per the Bank's general ledger

Credited by the Bank but not debited by Bangladesh Bank Debited by the Bank but not credited by Bangladesh Bank Credited by Bangladesh Bank but not debited by the Bank Debited by Bangladesh Bank but not credited by the Bank

JPY clearing account 10,731,580 8,806,335 JPY clearing account - OBU 8,806,335 10,731,580 10,731,580 Credited by the Bank but not debited by Bangladesh Bank Debited by the Bank but not credited by Bangladesh Bank Credited by Bangladesh Bank but not debited by the Bank Debited by Bangladesh Bank but not credited by the Bank As per the Bank's general ledger EUR EUR Taka EUR clearing account 2,638,668 1,929,500 200,621,118 709,168

EUR clearing account - OBU 306,180,320 2,638,668 2,944,730 (306,062) Credited by the Bank but not debited by Bangladesh Bank Debited by the Bank but not credited by Bangladesh Bank Credited by Bangladesh Bank but not debited by the Bank Debited by Bangladesh Bank but not credited by the Bank 306,061.85 (306,062) As per Bangladesh Bank stateme As per the Bank's general ledge CAD CAD Taka CAD CAD clearing account 1,619 1,619 107,292 CAD clearing account - OBU 107,292 Credited by the Bank but not debited by Bangladesh Bank Debited by the Bank but not credited by Bangladesh Bank Credited by Bangladesh Bank but not debited by the Bank Debited by Bangladesh Bank but not credited by the Bank

Disclosures on Risk Based Capital under Pillar - III of Basel III

Standard Chartered Bank

Bangladesh Branches

Disclosures on Risk Based Capital under Pillar – III of Basel III The following detailed qualitative and quantitative disclosures are provided in accordance with Guidelines on Risk Based

Capital Adequacy by Bangladesh Bank. The purpose of these requirements is to complement minimum capital requirement and Supervisory review process. These disclosures are intended for more transparent and more disciplined financial market where the participants can assess key information about the Bank's exposure to various risks. The bank has an approved disclosure policy to observe the disclosure requirement set out by the Bangladesh Bank and International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as International Financial Reporting Standards (IFRS) and Int

Accounting Standards (IAS) where relevant to the bank. Guidelines on Risk Based Capital Adequacy are structured around the following three aspects or pillars of Basel III:

Minimum capital requirements to be maintained by a bank against credit, market and operational risk

 Milliminim capital requirements to be maintained by a data against credit, market and operational risk,
 Supervisory Review it.e. Process for assessing overall capital adequacy in relation to a bank's risk profile and a strategy for maintaining its capital at an adequate level; . Market Discipline i.e. to make public disclosure of information on the bank's risk profiles, capital adequacy and risk

Disclosure Framework The disclosure requirements are as per the Guidelines on Risk Based Capital Adequacy (RBCA) for Banks

A. Scope of Application

Bank has no subsidiaries and Basel III is applied at the Bank level only.

B. Capital Structure

Standard Chartered Bank Bangladesh's capital structure consists of Tier I and Tier II capital which is aligned with regulatory capital structure. Tier I capital is further categorized as Common Equity Tier 1 (CET1) and Additional Tier 1 capital. The computation of the amount of Common Equity Tier I, Additional Tier II capital shall be subject to

• The Bank has to maintain at least 4.50% of total Risk Weighted Assets (RWA) as Common Equity Tier I capital.

Tier I capital will be at least 6.00% of the total RWA.

Minimum Capital to Risk-weighted Asset Ratio (CRAR) will be 10% of the total RWA.
Additional Tier I capital can be maximum up to 1.5% of the total RWA or 33.33% of CET 1, whichever is higher.
Fier II capital can be maximum up to 4% of the total RWA or 88.89% of CET 1, whichever is higher.
In addition to minimum CRAR, Capital Conservation Buffer (CCB) @ 2.5% of the total RWA will be maintained in the

Tier I capital of the Bank includes funds deposited with Bangladesh Bank, actuarial gain/(loss) and retained earnings. Tier 1 capital is also called 'Core Capital' of the Bank. According to BRPD letter ref no.BRPD (BFIS)661/14B(P)/2015-18014 dated 24 December 2015, 5% of deferred tax recognised on specific provision shall be allowable as CET 1 capital whilst

Tier II capital consists of general provision and revaluation reserve for Held to Maturity (HTM) and Held for Trading (HFT) securities. General provision for inclusion in Tier II capital is limited to a maximum 1.25% of Credit RWA calculated under the standardized approach. Revaluation reserve for securities shown as Tier II capital as on 31 December 2014 will be nullified in a phased manner at the rate of 20% starting from 2015 and it was fully nullified in 2019.

all other deferred tax assets created on other items shall be deducted from the retained earnings when calculating the

Quantitative Disclosures:

Total Capital

The details of capital structure as at 31 December 2020 are provided as under:

Common Equity Tier I	2020 (Taka)	2019 (Taka)		
Fund Deposited with Bangladesh Bank	2,359,550,597	2,361,728,446		
Retained Earnings	58,877,425,522	55,699,595,488		
Actuarial Gain/(Loss)	(274,629,860)	332,901,000		
Less: Regulatory Adjustment for Deferred Tax Assets	(27.1,020,000)	002,001,000		
as per Bangladesh Bank Guidelines	(1,155,703,125)	(809,179,701)		
Additional Tier I	-	-		
Total Tier I	59,806,643,134	57,585,045,232		
Tier II				
General Provision	4,839,840,983	5,309,180,450		
Revaluation Reserve for Securities	-			
	4,839,840,983	5,309,180,450		





64,646,484,117 62,894,225,682

Disclosures on Risk Based Capital under Pillar – III of Basel III

C. Capital Adequacy

Qualitative Disclosures: Our approach to capital management is driven by our desire to maintain a strong capital base to support the development of our business, to meet regulatory capital requirements at all times and to maintain good credit

Strategic, business and capital plans are drawn up annually covering a three year horizon and are approved by the Country Management Team (CMT). The capital plan ensures that adequate levels of capital and an optimum mix of the different components of capital are maintained to support our strategy.

The capital plan takes the following into account:

- Regulatory capital requirements
- Forecast demand for capital to support the credit ratings Available supply of capital and capital raising options
- Increases in demand for capital due to business growth, market shocks or stresses
- Internal controls and governance for managing the Bank's risk, performance and capital

The bank uses a capital model to assess the capital demand for material risks, and support our internal capital

adequacy assessment. Each material risk is assessed, relevant mitigates considered, and appropriate levels of capital determined. The capital modeling process is a key part of our management disciplines

A strong governance and process framework is embedded in bank's capital planning and assessment methodology. Overall responsibility for the effective management of risk rests with the Management Committee

Standardize Approach is followed for computation of capital charge for credit risk, market risk and Basic Indictor

Details of Risk Weighted Assets as on 31 December 2020:

Risk Weighted Assets	2020 (Taka)	2019 (Taka)	
On balance sheet exposures	155,410,239,999	147,026,174,934	
Off-balance sheet exposures	65,537,663,584	80,973,025,022	
Total Credit risk	220,947,903,583	227,999,199,956	
Market risk	4,284,560,363	6,270,225,958	
Operational risk	40,227,230,077	37,447,504,226	
Total Risk Weighted Assets	265,459,694,023	271,716,930,140	
Capital requirement for Credit risk	22,094,790,358	22,799,919,996	
Capital requirement for Market risk	428,456,036	627,022,596	
Capital requirement for Operational risk	4,022,723,008	3,744,750,423	
Minimum Capital Requirement	26,545,969,402	27,171,693,014	
	2020 (Taka)	2020 (Taka)	
Common Equity Tier -I Ratio	22.53%	21.19%	
Tier I Capital Adequacy Ratio	22.53%	21.19%	
Tier II Capital Ratio	1.82%	1.95%	
Capital to Risk Weighted Assets Ratio (CRAR)	24.35%	23.15%	

Risk management

Effective risk management is fundamental to being able to generate profits consistently and sustainably and is thus a central part of the financial and operational management of the Bank. Through the risk management framework we manage enterprise-wide risks, with the objective of maximizing risk-adjusted returns while remaining within our risk appetite. As part of this framework, we use a set of principles that describe the risk management culture we wish to

- Balancing risk and return: Risk is taken in support of the requirements of our stakeholders, in line with our strategy and within our risk appetite.
- Responsibility: It is the responsibility of all employees to ensure that risk-taking is disciplined and focused. We take account of our social responsibilities and our commitments to customers in taking risk to produce a return. Accountability: Risk is taken only within agreed authorities and where there is appropriate infrastructure and
- resource. All risk-taking must be transparent, controlled and reported. Anticipation: We seek to anticipate future risks and ensure awareness of all known risks.
- Competitive advantage: We seek to achieve competitive advantage through efficient and effective risk management and control.

D. Credit Risk

Credit risk is the potential for loss due to failure of a counterparty to meet its obligations to pay the Bank in accordance

Credit risk is managed through a framework which sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority

A comprehensive framework is in place for the management of counterparty credit risk. This includes a structured process for the delegation of credit approval authority and for monitoring compliance with appetite. Policy and procedures are defined to support credit underwriting activities at all levels of the Group. These policies are defined at 3 levels-Group, Business and Country level.

All credit decisions are subject to underwriting standards which mandate defined processes and procedures for performing credit checks and detailed due diligence reviews. Systems and controls are in place to monitor collateral value and loan covenants. Each counterparty is also required to have an approved limit in place prior to drawdown of funds. Limit excesses are actively managed and subject to reporting and escalation.

Counterparties are subject to credit rating and these ratings are reviewed on a regular basis. Active monitoring of account level activity and limit utilization trends help to inform the early alert and risk trigger mechanisms. Potential problem accounts are investigated, monitored and appropriate action is taken. Standing Committees dedicated to account and portfolio monitoring supported by portfolio information reports are a well established discipline. The portfolio is monitored from the point of view of industry concentrations, risk grade distribution and tenor and security profiles amongst other parameters

Credit risk from traded products is managed within the overall credit risk appetite for corporates and financial institutions. The credit risk exposure from traded products is derived from the positive mark-to-market value of the underlying instruments, and an additional component to cater for potential market movements

Past dues and impaired exposures are defined in accordance with the relevant Bangladesh Bank regulations. Specific and general provisions are computed periodically in accordance with the Bangladesh Bank regulations.

Quantitative Disclosures:

Investments

Details of Credit Risk as on 31 December 2020	<u>Taka</u>
Gross Credit risk exposures:	
Funded	431,345,289,981
Non-funded	335,663,119,794
Total	767,008,409,776
Distribution of risk exposure by claims:	

Cash and cash equivalents Claims on Sovereigns and Central Bank Claims on banks

Total	681,623,469
Off-balance sheet items	335,663,11
Others assets	6,292,99
Fixed Assets	2,143,76
Claims on Consumer and SME Loan	73,326,39
Claims on corporate	142,901,33

Credit risk mitigation: Claims secured by financial collateral

Gross non-performing assets (NPAs)

Net exposures after the application of haircuts Claims secured by eligble Guarantee

Non-performing asset (NPAs) to outstanding loans and advances 1.62% 1.67%

Movement of non-performing assets (NPAs)

Opening balance Net movement during the year

Closing balance

Movement of specific provision for (NPAs)

Opening balance of specific provision Written off during the period

Recovers during the period Provision made during the period Other Movement Transferred from Interest In suspense Translation increase / (decrease)

Closing balance of specific provision	4,784,661,137

4.436.744.792 4.034.100.121

2019 <u>Taka</u> 386.716.092.402 289,641,786,231

676,357,878,633

4,400,144,102	4,004,100,121
48,079,378,333	23,065,076,539
36,821,639,650	32,717,595,887
31,958,095,043	27,923,203,006
142,901,332,081	174,863,091,352
73,326,393,063	75,895,747,823
2,143,768,156	2,064,342,357
6,292,998,182	6,778,560,805
335,663,119,794	289,641,786,231

9,094 636,983,504,122

3,689,353,704 1,276,910,798

4,194,283,962 5,774,659,637

(690.080.279) (1,580,375,675) 3,504,203,683 4,194,283,962

3,754,348,56	3,515,331,426
(1,489,717,638	(463,291,899)
(626,777,554	(313,804,093)
1,877,241,11	2,066,542,164
	(20,116,461)

236,943

n	4,784,661,137	3,515,331,426

Geographical Distribution of Credit Exposure:

Geographical Distribution of Credit Exposure:

seographical distribution of Gredit Exposure:										
2020	Dhaka BDT	Chittagong BDT	Narayangonj BDT	Khulna BDT	Sylhet BDT	Bogra BDT	Total BDT			
Cash and cash equivalents	2,850,158,680	1,122,527,884	45,154,434	151,118,418	92,487,636	175,297,738	4,436,744,791			
Claims on Sovereigns and Central Bank	48,079,378,333	-	-	-	-	-	48,079,378,333			
Claims on Banks	36,821,639,650	-	-	-	-	-	36,821,639,650			
Investments	31,958,095,043	-	-	-	-	-	31,958,095,043			
Claims on Corporate	130,166,418,365	12,734,913,716	-	-	-	-	142,901,332,081			
Claims on Consumer and SME Loans and Large Loan	64,919,786,773	6,544,749,288	876,441,531	331,966,572	376,329,726	277,119,173	73,326,393,064			
Fixed Assets	1,947,358,004	171,508,194	4,750,724	923,441	13,107,900	6,119,894	2,143,768,157			
Others Assets	1,308,285,382	3,557,651,662	231,587,493	520,819,754	645,847,446	28,806,445	6,292,998,182			
Total on-balance sheet Items	318,051,120,231	24,131,350,745	1,157,934,182	1,004,828,185	1,127,772,708	487,343,251	345,960,349,300			
Off-balance Sheet Items	313,955,878,907	21,706,652,872	-	-	-	588,015	335,663,119,794			
Total	632,006,999,138	45,838,003,617	1,157,934,182	1,004,828,185	1,127,772,708	487,931,266	681,623,469,094			

2019	Dhaka BDT	Chittagong BDT	Narayangonj BDT	Khulna BDT	Sylhet BDT	Bogra BDT	Total BDT
Cash and cash equivalents	2,284,619,506	1,122,992,039	62,612,721	387,538,446	86,892,011	89,445,398	4,034,100,121
Claims on Sovereigns and Central Bank	23,065,076,539	-	-)	-	-	-	23,065,076,539
Claims on Banks	32,717,595,887	-)	-)	-)	-	-)	32,717,595,887
Investments	27,923,203,006		-]			-	27,923,203,006
Claims on Corporate	156,744,085,437	18,119,005,913	-)	-		-	174,863,091,350
Claims on Consumer and SME Loans and Large Loan	67,016,756,329	6,913,008,897	975,100,324	332,991,608	399,096,781	258,793,885	75,895,747,823
Fixed Assets	1,991,573,624	35,938,466	8,458,200	2,742,272	16,521,004	9,108,795	2,064,342,360
Others Assets	7,770,230,993	(1,907,959,446)	42,637,263	302,162,042	568,842,221	2,647,730	6,778,560,804
Total on-balance sheet Items	319,513,141,322	24,282,985,869	1,088,808,507	1,025,434,368	1,071,352,017	359,995,808	347,341,717,891
Off-balance Sheet Items	266,277,522,499	23,364,263,732	-	-	-	-	289,641,786,231
Total	585,790,663,821	47,647,249,601	1,088,808,507	1,025,434,368	1,071,352,017	359,995,808	636,983,504,122

Industry Distribution of Exposure:

Industry Distribution of Exposure:

2020	Banks & Fl	Agriculture, hunting, forestry and fishing	Manufacturing	Electricity, gas and water	Commerce	Transport and communications	Community, social and personal services	Financing, insurance and business service	Construction	Retail and SME and Large Loan	Others	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cash and cash equivalents	4,436,744,792	-	-	-	-	-	-	-	-	-	-	4,436,744,792
Claims on Sovereigns and Central Bank	48,079,378,333	-	-	-	-	-	-	1	-	-	-	48,079,378,333
Claims on Banks	36,821,639,650	-	-	-	-	-	-	1	-	-	-	36,821,639,650
Investments	-	-	-	-	-	-	-	-	-	-	31,958,095,043	31,958,095,043
Claims on Corporate	-	13,264,783,020	107,747,679,378	1,223,489,197	5,800,956,003	3,891,788,664	4,119,437,595	6,306,312,896	546,885,328	-	-	142,901,332,081
Claims on Consumer and SME Loans and Large Loans	-	-	-	-	-	-	-	-	-	73,326,393,063	-	73,326,393,063
Fixed Assets	-	-	-	-	-	-	-	-	-	-	2,143,768,156	2,143,768,156
Others Assets	-	-	-	-	-	-	-	-	-	-	6,292,998,182	6,292,998,182
Total on-balance sheet Items	89,337,762,775	13,264,783,020	107,747,679,378	1,223,489,197	5,800,956,003	3,891,788,664	4,119,437,595	6,306,312,896	546,885,328	73,326,393,063	40,394,861,380	345,960,349,300
Off-balance Sheet Items	138,382,026,215	-	-	-	-	-	-	-	-	-	197,281,093,579	335,663,119,794
Total	227,719,788,990	13,264,783,020	107,747,679,378	1,223,489,197	5,800,956,003	3,891,788,664	4,119,437,595	6,306,312,896	546,885,328	73,326,393,063	237,675,954,960	681,623,469,094

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2019	Banks & Fl	Agriculture, hunting, forestry and fishing	Manufacturing	Electricity, gas and water	Commerce	Transport and communications	Community, social and personal services	Financing, insurance and business service	Construction	Retail and SME and Large Loan	Others	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cash and cash equivalents	4,034,100,121	1	-	-	-	-	-	1	-	-	-	4,034,100,121
Claims on Sovereigns and Central Bank	23,065,076,539	-	-	-	-	-	-	-	-	-	-	23,065,076,539
Claims on Banks	32,717,595,887	-	-	-	-	-	-	-	-	-	-	32,717,595,887
Investments	-	-	-	-	-	-	-	-	-	-	27,923,203,006	27,923,203,006
Claims on Corporate	-	30,203,915,224	106,777,667,288	2,579,430,126	8,154,503,577	5,053,542,040	13,363,545,293	8,089,846,669	640,641,134	-	-	174,863,091,350
Claims on Consumer and SME Loans and Large Loans	-	-	-	-	-	-	-	-	-	75,895,747,823	-	75,895,747,823
Fixed Assets	-	-	-	-	-	-	-	-	-	-	2,064,342,357	2,064,342,357
Others Assets	-	-	-	-	-	-	-	-	-	-	6,778,560,804	6,778,560,804
Total on-balance sheet Items	59,816,772,547	30,203,915,224	106,777,667,288	2,579,430,126	8,154,503,577	5,053,542,040	13,363,545,293	8,089,846,669	640,641,134	75,895,747,823	36,766,106,167	347,341,717,891
Off-balance Sheet Items	122,521,117,732	-	-	-	-	-	-	-	-	-	167,120,668,499	289,641,786,231
Total	182,337,890,279	30,203,915,224	106,777,667,288	2,579,430,126	8,154,503,577	5,053,542,040	3,363,545,293	8,089,846,669	640,641,134	75,895,747,823	203,886,774,666	636,983,504,122

Maturity Breakdown of Credit Exposure:

Maturity Breakdown of Credit Exposure:

2020 Details	Maturity up to 1 month BDT	Within 1 to 3months BDT	Within 3 to 12 months BDT	Within 1 to 5 Years BDT	Over 5 Years BDT	Total BDT
Cash and cash equivalents	4,436,744,792	-	-	-	-	4,436,744,792
Claims on Sovereigns and Central Bank	48,079,378,333	-	-	-	-	48,079,378,333
Claims on Banks	20,709,259,649	16,112,380,000	-	-	-	36,821,639,649
Investments	-	8,469,000,838	19,716,800,885	3,637,749,748	134,543,573	31,958,095,043
Claims on Corporate	23,663,299,216	60,778,561,397	41,905,469,672	12,024,722,370	4,529,279,426	142,901,332,081
Claims on Consumer and SME Loans	9,887,897,141	3,388,464,523	14,351,730,191	32,812,866,219	12,885,434,989	73,326,393,064
Fixed Assets	-	-	-	-	2,143,768,156	2,143,768,156
Others Assets	2,491,344,952	1,449,441,945	1,060,053,300	107,104,843	1,185,053,142	6,292,998,182
Total on-balance sheet Items	109,267,924,083	90,197,848,703	77,034,054,047	48,582,443,180	20,878,079,286	345,960,349,300
Off-balance Sheet Items	114,671,106,637	51,813,147,185	57,451,902,778	85,686,869,894	26,040,093,301	335,663,119,794
Total	223,939,030,721	142,010,995,888	134,485,956,825	134,269,313,073	46,918,172,587	681,623,469,094

2019 Details	Maturity up to 1 month BDT	Within 1 to 3months BDT	Within 3 to 12 months BDT	Within 1 to 5 Years BDT	Over 5 Years BDT	Total BDT
Cash and cash equivalents	4,034,100,121	-	- 1	-	-	4,034,100,121
Claims on Sovereigns and Central Bank	23,065,076,539	-	-	-	-	23,065,076,539
Claims on Banks	30,170,595,886	-	2,547,000,000	-	-	32,717,595,886
Investments	912,591,140	5,579,925,610	10,609,957,660	10,686,207,181	134,521,414	27,923,203,006
Claims on Corporate	36,125,824,780	76,932,495,397	39,703,809,592	15,215,351,021	6,885,610,561	174,863,091,351
Claims on Consumer and SME Loans	12,097,694,099	3,730,489,840	15,735,834,711	35,923,763,009	8,407,966,164	75,895,747,823
Fixed Assets	-	- 1	-	-	2,064,342,357	2,064,342,357
Others Assets	5,836,815,935	-	-	-	941,744,868	6,778,560,804
Total on-balance sheet Items	112,242,698,500	86,242,910,848	68,596,601,963	61,825,321,212	18,434,185,365	347,341,717,891
Off-balance Sheet Items	100,728,928,933	51,421,155,459	73,205,848,369	62,734,304,663	1,551,548,807	289,641,786,231
Total	212,971,627,433	137,664,066,306	141,802,450,332	124,559,625,875	19,985,734,172	636,983,504,122





Disclosures on Risk Based Capital (Basel III)

E. Equities: Disclosures for Banking Book Positions

The Bank does not hold trading position in equities.

F. Interest rate risk in the banking book

Qualitative Disclosure

(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behaviour of non-maturity deposits, and frequency of IRRBB measurement

Interest rate risk from the non-trading book portfolios is transferred to T-M under the supervision of ALCO. This risk arises principally from the re-pricing mismatch between commercial assets and liabilities. T-M also deals in approved financial instruments in the market to manage the net interest rate risk, subject to approved VaR and risk limits. VaR and stress tests are applied to non-trading book exposures in the same way as for the trading book and thus the primary risk measurement tool is VaR for the non-trading book. T-M also manages a portfolio of marketable securities primarily for the purpose of meeting the reserve requirements. For non maturing products like current accounts, savings accounts, cards and overdrafts, behavioural calculation is done to segregate the portfolio according to the balances expected to remain with the bank under non stress conditions for a year or more (core) or less than a year (non-core).

Quantitative Disclosure

Particulars			Amount (BDT) in Crore	
Market value of assets			40,857.47	
Market value of Liabilities			34,883.19	
Weighted Average Duration of Assets (DA))		0.76	
Weighted Average Duration of Liabilities (I	DL)		0.16	
Duration Gap (DA-DL)			0.62	
Yield to Maturity (YTM- Assets)			3.83%	
Yield to Maturity (YTM- Liabilities)			0.99%	
Magnitude of Interest Rate Change	1%	2%	3%	
Changes in Market value of Equity due to an increase in interest Rate	(245.69)	(491.38)	(737.07)	
Stress Testing	Minor	Moderate	Major	
Regulatory capital (after shock)	5,470.14	5,224.45	4,978.76	
RWA (after shock)	28,361.34	28,115.65	27,869.96	
CAR (after shock)	19.29%	18.58%	17.86%	

G. Market risk

(a) Views of Board of Directors (BOD) on trading/investment activities

The Bank recognises market risk as the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. The Bank is exposed to market risk arising principally from client-driven transactions. The objective of the Bank's market risk policies and processes is to obtain a balance of risk and return while meeting clients' requirements

The primary categories of market risk for the Bank are interest rate risk and currency exchange rate risk. The Country Risk Committee, in conjunction with MTCR, provides market risk oversight, reporting and management of the market risk profile.

Methods used to measure Market risk

Interest Rate Risk

The interest rate exposures arise from trading and non-trading activities. Structural interest rate risk on non-trading arises from the differing re-pricing characteristics of Government securities, commercial banking assets and liabilities.

Foreign Exchange Risk

The foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange trading exposures are principally derived from client driven transactions. Market Risk Management System

The BRC - Board Risk Committee - approves the Group's market risk appetite taking account of market volatility, the range of products and asset classes, business volumes and transaction sizes. The Market and Traded Credit Risk management operating under the current approved market risk limits policy in force is responsible for setting Value at Risk (VaR) as the primary market risk measure within the Group's risk appetite. The CIBRC (Credit and Market Risk Committee) is responsible for approving policies and other standards for the control of market risk and overseeing their effective implementation. These policies cover both trading and non-trading books Market and Traded Credit Risk (MTCR) approves the limits within delegated authorities and monitors

exposures against these limits. Additional limits are placed on specific instruments and position concentrations, where appropriate. Sensitivity measures are used in addition to VaR as a risk management tools. For example, interest rate sensitivity is measured in terms of exposure to a one basis point increase in yields, whereas, foreign exchange sensitivities are measured in terms of the underlying values or amounts involved. The Country Risk Committee reviews the market risk exposures in its periodic meetings.

(d) Policies and processes for mitigating market risk

The Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR methodology. VaR, in general, is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. VaR provides a consistent measure that can be applied across trading businesses and products over time. VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 per cent. This confidence level suggests that potential daily losses, in excess of the VaR measure, are likely to be experienced six times per year.

Losses beyond the confidence interval are not captured by the VaR, which therefore gives no indication of the size of unexpected losses in these situations. The VaR measurement is complemented by regularly stress testing market risk exposures to highlight potential risk that may arise from extreme market events that are rare but plausible

Stress testing is an integral part of the market risk management framework and considers both. historical market events and forward looking scenarios. A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs.

Details of Market Risk as on 31 December 2020:

Capital requirements for:	2020	2019
	Taka	Taka
Interest rate risk	305,978,395.30	173,164,197.05
Equity position risk		
Foreign exchange risk	122,477,641.03	453,858,398.70
Commodity risk		
Total	428,456,036	627,022,596

H. Operational Risk

Qualitative Disclosure

Operational risk is the potential for loss arising from the failure of people, process or technology or the act of external events. It is the Bank's objective to minimize exposure to operational risks, subject to cost trade-offs. This objective is ensured through a framework of policies and procedures that drive risk dentification, assessment, control and monitoring at business / function, country levels

Responsibility for the management of operational risks rests with the business and functional management as an integral part of their role. An independent Operational Risk function within the Group Risk function works alongside business and functional management, to ensure operational risk exposures are managed within acceptable risk tolerance limits. Group Operational Risk is responsible for setting the operational risk policy, defining standards for measurement and for the operational risk capital calculation.

Governance over operational risks is ensured through a defined structure of risk committees at group, business function and country levels. Country Operational Risk Committees ("CORC") have the responsibility for oversight of operational risks and significant issues at a country level. The monthly CORC process ensures that operational risks, losses and results of assurance reviews are managed within acceptable risk tolerance limits.

The bank's Pillar I approach is Basic Indicator Approach (BIA) as set out in the Guidelines on Risk Based Capital Adequacy.

The bank proactively monitors its exposure to material loss events by leveraging on internal experience (via risks and losses) and industry experience. The types of events that could result in a material operational risk loss / business disruption include:

- Internal and external fraud. Damage to physical assets
- Business disruption and system failures.
- Failure in execution, delivery and process management.

Capital requirement for Operational risk as on 31 December 2020 was BDT 40,227,230,077

I. Leverage Ratio:

capital requirements. 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 by the Bangladesh Bank. 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:

Leverage ratio is the ratio of tier 1 capital to total on and off-balance sheet exposures. The leverage ratio

was introduced into the Basel III framework as a non-risk based backstop limit, to supplement risk-based backstop limit, and to supplement risk-based backstop limit limit.

- Constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and Reinforce the risk based requirements with an easy to understand and a non-risk based measure
- The Bank has calculated the regulatory leverage ratio as per the guideline of Basel III. The numerator,

capital measure is calculated using the new definition of Tier I capital applicable from 01 January 2015. The denominator, exposure measure, is calculated on the basis of the Basel III leverage ratio framework as adopted by the Bangladesh Bank. The exposure measure generally follows the accounting value, On-balance sheet, non derivative exposures are included in the exposure measure net of specific

- provision: Physical or financial collateral is not considered to reduce on-balance sheet exposure;
- Loans are not netted with deposits: Off balance sheet items are converted into credit exposure equivalents through the use of credit
- conversion factors (CCFs). Depending on the risk category of the exposure a CCF of 20%, 50% or 100% is applied. Commitments that are unconditionally cancellable at any time by the bank without prior notice, a CCF of 10% is applied: Item deducted from Tier I capital such as deferred tax assets is excluded.

Disclosures on Risk Based Capital (Basel III)

2020	2019	
10.39%	11.39%	
426,560,628,844	383,197,085,809	
150,290,374,124	123,456,417,686	
1,155,703,125	809,179,701	
575,695,299,843	505,844,323,793	
	10.39% 426,560,628,844 150,290,374,124 1,155,703,125	

J. Liquidity Ratio

> **Qualitative Disclosure** Liquidity risk is the potential that the Bank either does not have sufficient liquid financial resources available

> to meet all its obligations as they fall due, or can only access these financial resources at excessive cost. Liquidity is managed by the Country Asset Liability Management Committee (ALCO) within the pre-defined liquidity limits set by and in compliance with Group liquidity policies and local regulatory requirer

> Liquidity management of the Bank is centered on the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) based on BASEL III. The Bank has Asset Liability Management (ALM) desk to manage this risk with active monitoring and management from Market and Traded Credit Risk (MTCR) Department.

> Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) has been adopted by the bank for liquidity risk management. LCR ensures that banks maintain enough high quality unencumbered liquid assets to meet its liquidity needs for 30 calendar time-line whereas NSFR ensures availability of stable funding is greater than required funding over 1 year period.

> ALCO monitors the liquidity risk on a monthly basis. Based on the detail recommendation from ALM desk, ALCO takes appropriate action to manage the liquidity risk. These ratios are regularly monitored at ALCO. Also Bank has internal risk control framework which outlines clear and consistent policies and principles for liquidity risk management

> > 2020

Liquidity Coverage Ratio (%)	531.81%	391.08%
Net Stable Funding Ratio (%)	120.91%	125.13%
Stock of High Liquid Assets	142,152,296,105	67,424,999,473
Total Net Cash Outflows over the next 30 Calender days	26,729,716,486	17,240,732,820
Available Amount of Stable Funding	331,888,492,889	304,484,079,144
Required Amount of Stable Funding	274,487,560,884	243,340,578,399

K. Remuneration **Qualitative Disclosure**

Quantitative criteria

Quantitative disclosures:

(a) Information relating to the bodies that oversee remuneration:

and the remuneration rules of the PRA and the FCA

Name, composition and mandate of the main body overseeing remuneration The Remuneration Committee (the "Committee") of Standard Chartered PLC (the "Group") is

comprised of independent non-executive directors. The Committee reviews, and is responsible for setting the principles, parameters and governance framework of the Group and its subsidiaries remuneration policy. The terms of reference for the Committee can be found on the Group's website. Further information on the activities of the Committee can be found in the Group's Annual Report. External consultants whose advice has been sought, the body by which they were

commissioned, and in what areas of the remuneration process

The Committee is assisted in its considerations by PricewaterhouseCoopers LLP (PwC). This includes advice to the Committee relating to executive directors' remuneration and regulatory PwC were formally re-appointed by the Committee as its remuneration advisor in August 2017

following a review of potential advisors and the quality of advice received. It is the Committee's practice to undertake a detailed review of potential advisors every three to four years PwC is a signatory to the voluntary Code of Conduct in relation to remuneration consulting in the UK. PwC also provides professional services in the ordinary course of business including assurance, advisory and tax advice to the Group. The Committee considered PwC's role as an

advisor to the Group, and determined that there was no conflict or potential conflict arising. The Committee is satisfied that the advice the Committee receives is objective and independent (iii) A description of the scope of the bank's remuneration policy (e.g. by regions, business lines),

including the extent to which it is applicable to foreign subsidiaries and branches

Standard Chartered (the "Group") is regulated globally by the UK Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA"). The remuneration rules of the PRA and FCA are based on the principles adopted by the G20 countries in relation to the Financial Stability Board's ("FSB") Principles for Sound Compensation Practices and their Implementation Standards. The rules also include the provisions of the European Union's

(iv) A description of the types of employees considered as material risk takers and as senior

Capital Requirements Directive IV. managers, including the number of employees in each group "The Group's Identification of Material Risk Takers (""MRTs"") for Remuneration Purposes Policy was introduced in 2014 to comply with expanded rules for identifying key risk-taking staff

in accordance with the European Banking Authority's (""EBA"") Regulatory Technical Standards The table below summarises the groups of employees who have been identified as MRTs in accordance with the regulatory requirements

Qualitative criteria

Employees may be excluded from MRT classification if they are only identified by the quantitative criteria and it can be demonstrated that they do not have the ability to have a material impact on the Group's risk profile

EUR 500k-EUR 750k	The Group must notify exclusion to the relevant regional authority e.g. PRA
EUR 750k-EUR1m	Approval required from the relevant regional authority e.g. PRA
FUR1m+	Approval required from the FBA

(b) Information relating to the design and structure of remuneration processes:

(i) An overview of the key features and objectives of remuneration policy **Our Fair Pay Charter**

In 2018, the Group launched its Fair Pay Charter, which sets out the principles we use to determine and deliver fair pay for all employees globally.

- 1. We commit to pay a living wage in all our markets by 2020 and seek to go beyond compliance with minimum wage requirements:
- 2. We provide an appropriate mix of fixed and variable pay and a core level of benefits to ensure a minimum level of earnings and security to colleagues and to reflect the Group's commitment to
- 3. We support colleagues in working flexibly, in ways that balance both business needs and their personal circumstances, and provide colleagues with the opportunity to select the combination and level of benefits that is right for them:
- 4. Pay is well administered with colleagues paid accurately, on time and in a way that is convenient; 5. We provide a competitive total fixed and variable pay opportunity that enables us to attract, motivate and retain colleagues based on market rates for their role, location, performance, skills and
- experience; 6. The structure of pay and benefits is consistent for colleagues based on their location and role, with
- a clear rationale for exceptions; 7. We are committed to rewarding colleagues in a way that is free from discrimination on the basis of
- 8. We ensure pay decisions reflect the performance of the individual, the business they work in and the Group, and recognise the potential, conduct, behaviours and values demonstrated by each individual:
- 9. We set clear expectations for how colleagues are rewarded and the principles guiding decisions,
- including clear personal objectives and feedback; 10. We provide clear communication of pay and performance decisions, and seek feedback and

input from colleagues on our pay structures and outcomes

diversity, as set out in our Group Code of Conduct;

Group Remuneration elements Element Operation

Fixed remuneration	Salary	Salaries reflect individuals' skills and experience and are reviewed annually against market information and in the context of the annual performance assessment and affordability. Increases may occur where there is a role change, increased responsibility or to ensure market competitiveness.
Fixed remuneration		Benefits are provided, with the details depending on local market practice. Employees have access to country-specific, company-funded benefits such as pension schemes, private medical insurance, permanent health insurance, life insurance and cash allowances. The cost of providing the benefits is defined and controlled.
	Pension & benefits	Employees who are relocated or spend a substantial portion of their time in more than one jurisdiction for business purposes may be provided with mobility benefits. If employees incur tax charges when travelling overseas in performance of their duties, these costs may be met by the Group
Ē		Share save is an all employee plan where participants are able to open a savings contract to fund the exercise of an option over shares. The option price is set at a discount of up to 20 per cent of the share price at the date of invitation (or such other discount as may be determined by the Committee). An equivalent cash or share plan is offered in countries where Sharesave may not be offered (typically due to tax regulatory or securities law issues).

Disclosures on Risk Based Capital (Basel III)

El	ement O	Operation
Variable remuneration	Discretionary variable remuneration	Employees are typically eligible to be considered for variable remuneration (based on Group, business and individual performance). Individual incentives are linked to the Group scorecard, the individual's business area scorecard and individual performance. Discretionary variable remuneration is delivered in the form of annual incentive and/or Long-Term Incentive Plan ("LTIP") awards depending on the category of employee. Annual incentive is delivered in the form of cash, shares and/or deferred shares and deferred cash according to the Group's deferral mechanism. LTIP awards are delivered in shares and subject to long-term performance measures. The variable remuneration of employees in the Risk and Compliance functions is set independently of the business they oversee. The proportion of variable to fixed remuneration paid to employees is carefully monitored. Guaranteed variable remuneration is only paid exceptionally, and is limited to the first year of employment.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made

The Group's remuneration policies are reviewed on an annual basis by the Remuneration Committee and a management-level committee, as appropriate. No material changes were made to the Group's remuneration policies for the 2020 performance year.

(iii) A discussion of how the bank ensures that risk and compliance employees are remunerated

independently of the businesses they oversee Employees engaged in Risk and Compliance are independent, have appropriate authority, and are compensated in a manner that is independent of the business areas they oversee and commensurate

The methodology for determining individual variable remuneration awards ensures that colleagues in Control Functions (including Audit, Compliance and Risk) are not incentivised to drive the performance of the business areas they control

Description of the ways in which current and future risks are taken into account in the remuneration processes: i. An overview of the key risks that the bank takes into account when implementing

by management. When considering the Group's variable remuneration and its allocation between businesses and functions, the Committee considers performance and risk factors including (but not

• The Group's performance and capital position; • The delivery of fair and competitive remuneration to all colleagues globally;

The Group's variable remuneration is subject to approval by the Committee, based on a recommendation

• The continued importance of rewarding and incentivising employees to execute the strategy;

with their key role in the Group

emuneration measures

- · Shareholder returns; · Regulatory expectations; and
- The risk and control environment, including current and future risks; · Specific risk, control and conduct events; and
- That the Group's remuneration policies and practices do not encourage risk-taking that exceeds the Group's Risk Appetite.

At an individual level, employees are assessed annually in relation to what they have achieved and how they have achieved it, based on the valued behaviours they have demonstrated. This assessment feeds into decision-making in relation to individual variable remuneration.

ii. An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).

The Group's approach to aligning remuneration to sound and effective risk management is supported by:

consideration financial and non-financial targets, including those related to conduct and remediation programmes. This incentivises improvements in shareholder returns whilst ensuring that returns are not generated by excessive risk-taking. Measures in the Group scorecard are determined in alignment with the Group's strategy. The Committee is responsible for setting the individual measures, weightings and targets. Conduct risk in bonus pools: To account for current and future risks, we consider whether any remuneration adjustments are required. Adjustments can be made in relation to risks that are

· Balanced scorecards: At a Group and business unit level, balanced scorecards play an integral role in the determination of Group discretionary variable remuneration. The scorecards take into

- inherent in our business activities (ex-ante) or in relation to events and issues that have crystallised (ex-post). Our process includes adjustments which are automatic and discretionary. Automatic ex-ante and ex-post risk adjustments are applied at a collective level in relation to risks, events and issues that impact the financials of the Group and therefore have a direct impact on the Group's incentive funding. We may also apply additional incremental discretionary ex-ante and ex-post risk adjustments at a collective level where deemed necessary.
- Identification of MRTs: We identify employees whose professional activities have the ability to have a material impact on the risk profile of the Group in line with the Identification of MRTs Policy. A higher proportion of their variable remuneration is deferred over a longer period, compared with Individual performance assessment: Employees are assessed annually in relation to what they
- have achieved, against their objectives, and how they have achieved it, based on the valued behaviours they have demonstrated. Remuneration outcomes relate to the performance of the individual, the business unit they work in and the Group. This ensures that everyone is aligned to deliver long-term sustainable growth in the interests of shareholders and that variable remuneration recognises the achievement, conduct, behaviours and values of employees. Deferral mechanism: Depending on the quantum of an individual's variable remuneration, a portion
- is deferred into shares and/or other instruments according to the Group-wide deferral mechanis This aligns the pay-out period for remuneration with the business cycle of the Group whilst taking into account the timeframe over which financial risks crystallise. The proportion deferred increas with the quantum of variable remuneration awarded.
- Individual risk adjustments: Consideration is given to whether variable remuneration should be adjusted when there is conduct that has resulted in significant losses to the Group, a material risk management failure or where the individual has failed to meet appropriate standards of values and behaviours. In determining a reasonable outcome, factors such as the impact of the event, the intent of the individual, the significance of the event, the speed of remediation and the frequency of issues are considered. Adjustments to variable remuneration can take the form of an in-year adjustment, malus or clawback.
- Governance processes: Additional governance processes provide further safeguards against inappropriate outcomes. Members of the Committee serve on other Board Committees, including the Audit, Board Financial Crime Risk, Board Risk and Brand Values & Conduct Committees. This overlap of membership brings a deeper understanding to the Committee of core business
- iii. A discussion of the ways in which these measures affect remuneration. Please refer to (c) ii
- A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.

There have been no material changes to the framework discussed in (c)ii

Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration: (i) An overview of main performance metrics for bank, top-level business lines and individuals.

(ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual

(iii) A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.

(e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of

employees, a description of the factors that determine the fraction and their relative

The Group applies specific rules to variable remuneration for MRTs:

importance.

Variable remuneration is capped at two times fixed remuneration:

 A minimum of 40 per cent of variable remuneration is deferred, increasing to 60% when variable remuneration is greater than GBP500,000. Variable remuneration is deferred over a period of seven years for Senior Managers (vesting pro-rata over years three to seven), five years for Risk Managers (vesting pro-rata over years one to five) and three years for Other MRTs (vesting pro-rata over years

• At least 50 per cent of any variable remuneration (both deferred and non-deferred) is delivered in shares; and

• Upfront shares are subject to a minimum 12 months post-vest retention period. Deferred shares are subject to a minimum 12 months post-vest retention period for Senior Managers and Other MRTs, and a minimum six months post-vest retention period for Risk Managers

For other employees, annual variable remuneration over a defined threshold is subject to a graduated level of deferral, as shown below. Deferred variable remuneration is typically delivered 50% in shares and 50% in cash.

Variable remuneration value (USD)	Deferral percentage
≤100,000	0%
100,000 to 600,000	40%
>600,000	60% (flat rate applies to entire value)

(ii) A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements

Variable remuneration is subject to the Group Ex-Post Risk Adjustment of Remuneration policy, which enables the Group to suspend payment or vesting of awards, apply in-year adjustments, apply malus to unvested awards and apply clawback to vested variable remuneration, in appropriate circumstances. Where legally possible, variable remuneration is subject to clawback for a period of at least seven years from the date on which it is awarded.





 Variable remuneration is delivered in cash and shares and is structured in line with the Group deferral framework (as set out above, unless superseded by regulatory requirements). The 			2020		21	019	
	Group has the flexibility to pay zero variable remuneration		PROPERTY AND ASSETS	USD	Taka	USD	
(ii)	A discussion of the use of the different forms of variable remuneration differs across employed		Cash				
	the factors that determine the mix and their relative in	portance.	Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent banks	-	-	-	
	The Group-wide deferral mechanism is a series of thresh		(including foreign currencies)	12,546,269	1,063,948,725	-	
	tion – the larger the variable remuneration award, the grevariable remuneration is typically delivered 50% in shares			12,546,269	1,063,948,725	-	
	For MRTs, at least 40% of variable compensation must	be deferred, increasing to at least 60% when	Balance with other banks and financial institutions Inside Bangladesh		-1	_	
	variable remuneration is more than GBP500,000. Shares retention period. Upfront shares are subject to a mini	delivered to MRTs are subject to a post-vest	Outside Bangladesh	35,133,822	2,979,418,368	12,534,689	
	Deferred shares are subject to a minimum 12 months post	-vest retention period for Senior Managers and		35,133,822	2,979,418,368	12,534,689	
	Other MRTs, and a minimum six months post-vest retenti	on period for Risk Managers.	Money at call and short notice	-	-	-	
Qı	antitative Disclosure:		Investments				_
g)	Number of meetings held by the main body overseeing	In 2020, there were 7 RemCo meetings.	Government securities	-	-	-	
	remuneration during the financial year and remuneration paid to its member.		Other investments		-	-	/ L
	·		Loans and advances			-	
h)	Number of employees having received a variable	Employees with variable remuneration:	Loans, cash credit, overdrafts, etc.	579,705,610	49,160,195,176	702,017,662	
	remuneration award during the financial year.	1382	Bills purchased and discounted	10,572,059 590,277,669	896,531,731 50,056,726,907	61,359,399 763,377,061	. L
	Number and total amount of guaranteed bonuses	Guaranteed bonuses: NIL	Fixed assets including premises, furniture and fixtures	330,277,003	30,030,720,307	700,077,001	
	awarded during the financial year.		,		7.450.075	0.450.704	
	Number and total amount of sign-on awards made during the financial year.	Sign-on awards: NIL	Other assets	87,601	7,453,075	8,153,724	, L
			Non banking assets Total assets		54,107,547,075	704.065.474	_
	Number and total amount of severance/termination payments made during the financial year.	Number : 10 Amount: BDT 39.476.618.58	Total assets	638,045,361	54,107,547,075	784,065,474	_
			LIABILITIES AND CAPITAL				
i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments	Outstanding deferred cash: BDT 20,712,453.00	Liabilities				
	and other forms.		Borrowings from other banks, financial institutions and agents	438,423,130	37,179,158,308	570,669,393	/ L
		Outstanding deferred shares value: BDT 53,112,809.00	Deposits and other accounts				
	Tabel and the defermed assessment as a side of in		Current and other accounts Term deposits	62,621,789 10,612,410	5,310,452,944 899,953,620	55,979,278 42,503,717	
	Total amount of deferred remuneration paid out in the financial year.	Total deferred remuneration: BDT 73,825,262.00	Other deposits	179,342	15,208,557	315,850	
	-			73,413,541	6,225,615,121	98,798,846	_
j)	Breakdown of amount of remuneration awards for the		Other liabilities	35,628,126	3,021,336,346	40,817,799	
	financial year to show: • fixed and variable	Fixed: BDT 3,205,460,281.02	Total liabilities	547,464,798	46,426,109,775	710,286,038	
	Tixed and variable	Variable: BDT 505,146,207.00	Equity Fund deposited with Bangladesh Bank as capital			_	
	deferred and non-deferred	Deferred: BDT 13,287,110.00	Other reserve	-	-	-	
		Non deferred: BDT 491,859,097.00	Profit and loss account balance	90,580,563	7,681,437,300	73,779,436	/ 🖳
	different forms used (cash, shares and share	Upfront Cash: BDT 486,234,097.00	Total lightifies and assitu	90,580,563	7,681,437,300	73,779,436	_
	linked instruments, other forms).	Upfront Shares: BDT 5,625,000.00	Total liabilities and equity	638,045,361	54,107,547,075	784,065,474	_
k)	Quantitative information about employees' exposure		OFF-BALANCE SHEET ITEMS				
	to implicit (e.g. fluctuations in the value of shares or		Contingent liabilities				
	performance units) and explicit adjustments (e.g. clawbacks or similar reversals or downward		Acceptances and endorsements Letters of quarantee	24,023,061 181,542	2,037,203,581 15,395,166	25,468,879 186,514	
	revaluations of awards) of deferred remuneration and		Irrevocable letters of credit	26,071,283	2,210,896,957	18,958,870	
	retained remuneration:		Bills for collection	54,544,906	4,625,517,125	51,803,422	
	Total amount of outstanding deferred remuneration	Overall: BDT 448,561.67	Other commitments	104,820,792	8,889,012,829	96,417,684	
	and retained remuneration exposed to expost explicit and/or implicit adjustments.		Forward contracts	-	-	-	
		Evalicit: PDT NIII	Undrawn formal standby facilities, credit lines and other commitments	55,557	4,711,378	51,296	/ L
	Total amount of reductions during the financial year due to ex post explicit adjustments.	Explicit: BDT NIL	_	55,557	4,711,378	51,296	_
	Total amount of reductions during the financial year due to ex post implicit adjustments.	Implicit: BDT 448,561.67	Total off-balance sheet items	104,876,350	8,893,724,208	96,468,980	_
L			Profit and Loss Account				
				Standard Charte	orod Bonk		
Disc	osures on Repo and Reverse repo			Standard Chart Bangladesh Branches, Off			
	Standard Chartere	Annexure - G		Profit and Loss			
	Standard Charters	n Bank					

Balance Sheet

	Annexure - G			
	Disclosures on Rep	o and Rever	se repo	
Disclosu	ure regarding outstanding Repo as on	31 December 2	020	
SI. No.	Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
	NIL	N/A	N/A	N/A
	Total			-
Disclosı	ure regarding outstanding Reverse Re	po as on 31 Dec	cember 2020	
SI. No.	Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	BRAC Bank Limited	30-Dec-20	3-Jan-21	4,695,369,692
	Total			4,695,369,692

Disclosures on Risk Based Capital (Basel III)

instruments and other forms

Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:

(i) An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked

• Variable remuneration is delivered in cash and shares and is structured in line with the Group

SI. No.	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
1	Securities sold under repo:			
	(i) with Bangladesh bank*	-	-	
	(ii) with other banks & FIs	-	7,453,125	20,3
2	Securities purchased under reverse rep	0:		
	(i) from Bangladesh bank	-	-	
	(ii) from other banks & Fls	414,252,676	25,216,727,932	16,759,623,0

Credit	Rating

Long term	Short term
AAA	ST-1
AAA	ST-1
	Stable
M	arch 4, 2021
	AAA

Bangladesh Branches,	Offshore Banking
Profit and Lo	oss Account

for the year ended 31 December 2020

Standard Chartered Bank

Bangladesh Branches, Offshore Banking Unit Balance Sheet

as at 31 December 2020

Annexure - I

1,064,195,079 1,064,195,079

59,601,299,496 5.209.412.966 64,810,712,462

692,220,358

66,567,127,899

48,449,831,493

4,752,640,709 3,608,565,598 26,815,702 8,388,022,009 3,465,431,105 60,303,284,608

6,263,843,291 6,263,843,291 66,567,127,899

2,162,307,811 15,835,000 1,609,608,048 4.398.110.504 8,185,861,364

4,355,000 4,355,000 8,190,216,364

Annexure - J

Annexure - K

Taka

2020 2019 USD USD Taka Taka 2,276,673,206 3,275,016,893 Interest income 26,825,540 38,783,114 Interest expense on deposits and borrowings 2,487,486 211,138,001 14,189,500 1,198,267,758 24,338,054 2,065,535,205 2,076,749,135 Net interest income 24,593,614 Income from investments Commission, exchange and brokerage income 1,399,512 116,934,943 6,481,907 557,439,651 Other operating income 129,039 584 557,439,651 1,400,096 117,063,982 6,481,907 Total operating income 31,075,521 2,634,188,785 25,738,151 2,182,599,188 13,448,250 1,814,967 7,225 322,367 Salaries and allowances 159,194 153,712 13,045,204 Rent, taxes, insurance, electricity etc. Legal expenses Postage, stamp, telecommunication etc. 21,500 85 3,815 3,571 302,994 Stationery, Printings, Advertisements etc. Chief executive officer's salary Auditors' fees 6,999 593,696 4,866 411,240 28,752 24,446 2,439,583 2,075,035 34,178 42,508 2,891,301 3,587,269 Repair, maintenance and depreciation Other expenses **Total operating expenses** 224,659 19,065,826 266,146 22,482,619 2,163,533,362 25,513,491 30,809,375 2,611,706,166 Profit before provision Provision for loans and advances and off-(1,647,539) (139,777,340) 938,887 79,808,383 2,303,310,702 Total profit before tax 27,161,030 29,870,488 2,531,897,783 Provisions for income tax 10,359,903 878,517,149 12,341,821 1,043,744,807 Current tax Deferred tax 10,359,903 878,517,149 12,341,821 1,043,744,807 Net profit after tax 16,801,127 1,424,793,553 17,528,667 1,488,152,975

	for the year ended 3			
	2020		2019	
	USD	Taka	USD	Taka
A) Cash flows from operating activities				
Interest receipts in cash Interest payments Fee and commission received Cash payments to employees Cash payments to suppliers Income taxes paid Operating profit before changes in operating assets and liabilities	35,552,572 (2,788,444) 1,442,185 (153,712) (70,948)	3,017,530,563 (236,694,517) 120,637,409 (13,045,204) (6,020,622) - 2,882,407,629	38,398,560 (14,838,210) 6,438,351 (159,194) (106,952) (10,042,614) 19,689,941	3,234,716,295 (1,252,346,278) 553,741,779 (13,448,250) (9,034,369) (838,500,461) 1,675,128,715
Increase/decrease in operating assets and liabilities				
Loans and advances to customers Other assets Deposits from customers Borrowing from other banks and financial institutions Other liabilities	173,099,392 (12,514) (25,385,305) (132,246,263) (14,291,561)	14,753,985,554 (1,109,226) (2,162,406,888) (11,270,673,186) (1,215,832,327)	(61,281,957) 72,191 (17,675,268) 49,218,521 (33,113,572)	(5,897,808,743) 6,014,059 (1,384,156,123) 4,700,103,334 (2,758,449,968)
	1,163,749	103,963,929	(62,780,084)	(5,334,297,440)
Net cash received from / used in operating activities	35,145,403	2,986,371,558	(43,090,143)	(3,659,168,725)

Standard Chartered Bank

Bangladesh Branches, Offshore Banking Unit

	Long term	Snort term		1,163,749	103,963,929	(62,780,084)	(5,334,297,440)
			Net cash received from / used in operating activities	35,145,403	2,986,371,558	(43,090,143)	(3,659,168,725)
Year 2020	AAA	ST-1	B) Cash flows from investing activities				
Year 2019	AAA	ST-1	Proceeds from sale of securities Payments for purchase of securities Purchase of fixed assets	-		-	- - -
			Proceeds from sale of assets	-	-	-	-
Outlook	\$	Stable	Net cash received from investing activities	-	-		-
			C) Cash flows from financing activities				
Date of current Rating	Mai	rch 4, 2021	Profit remitted to Head Office	<u> </u>	-	<u> </u>	-
			D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	35,145,403	2,986,371,558	(43,090,143)	(3,659,168,725)
Credit Rating Information and Services Limited (CRISL) reaffirms AAA (pronounced as triple A) in long term and ST-1 rating on short term to Standard Chartered Bank (Bangladesh Operation).			E) Effects of exchange rate changes on cash and cash equivalents	-	(7,199,544)	(3,671,133)	(251,567,639)
		F) Opening cash and cash equivalents	12,534,689	1,064,195,079	59,295,965	4,974,931,443	
			G) Closing cash and cash equivalents (D+E+F)	47,680,091	4,043,367,093	12,534,689	1,064,195,079

Cash Flow Statement





Standard Chartered Bank

Islamic Banking Window (Saadiq), Bangladesh Branches

Financial Statements 2020

Independent auditor's report

Independent auditor's report to the management of Standard Chartered Bank,

Islamic Banking Window (Saadiq), Bangladsh Branches

Report on the audit of the financial states

We have audited the financial statements of Islamic Banking Window (Saadiq), Standard Chartered Bank, Bangladesh Branches (the "Bank") which comprise the balance sheet as at 31 December 2020 and profit and loss account, cash flow statement and statement of changes in equity for the year then ended, summary of significant accounting policies, other explanatory notes and annexures thereto. In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note #2 and comply with the Banking Companies Act, 1991 (as amended up to date), rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants (CSBA Code) and requirements of Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements and internal controls Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note #2, 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. The Bank Companies Act 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Auditor's responsibilities for the audit of the financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other legal and regulatory requirements In accordance with the Companies Act, 1994, the Bank Company Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof; to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities section in forming the above opinion on the financial statements 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 Responsibilities for the financial statements and internal controls.

statements and internal control

(a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial tatements appeared to be materially adequate;
(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;

the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements; the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

the expenditures incurred were for the purpose of the Bank's business for the year;

the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank; adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;

the information and explanations required by us have been received and found satisfactory; we have reviewed over 80% of the risk weighted assets of the Bank and spent over 250 person hours; and Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place of Issue: Dhaka Dated: 25 February 2021

Gride Sh Enrolment No: 912 DVC No: 2102250912AS428829

2.474.883

4.444.866

23,384,444,311 23,079,394,688

947,821,148

8.778.469.806

7,531,432,503

17,358,665,773

5.720.728.915

23,079,394,688

23,079,394,688

4,353,717,281

7,363,517,720

7.363.517.720

37.249.523

1,345,037,394

11.301.304.580

3,944,787,094

16,758,766,433

6,625,677,878

23,384,444,311

23,384,444,311

5,427,259,309

3,692,797,739

9,120,057,048

114,336,400

67.064.149

Balance Sheet Standard Chartered Bank, Bangladesh Branches Islamic Banking Window (Saadiq) **Balance Sheet** as at 31 December 2020 2019

Notes

Oddit itt tidita (ittolading foreign currencies)		4,444,000	2,474,000
Balances with Bangladesh Bank and its agent banks (including foreign currencies)		1,680,575,824	4,000,000,000
Balance with other banks and financial institutions		1,685,020,690	4,002,474,883
Inside Bangladesh Outside Bangladesh		-	-
Outside Darigiadesii		-	-
Placements with banks and other financial institutions		-	-
Investments in shares and securities Government securities Other investments	6	4,250,000,000	950,000,000
		4,250,000,000	950,000,000
Investments General investments etc. Bills purchased and discounted	7 8	10,195,536,746 741,583,540	12,430,116,465 200,000,000
·		10,937,120,286	12,630,116,465
Fixed assets including premises	9	-	-
Other assets	10	6,512,303,335	5,496,803,340
Non banking assets		-	-

Total assets LIABILITIES AND CAPITAL Liabilities

Placement from banks and other financial institutions Deposits and other accounts AI - Wadeeah Current Account Deposits Mudaraba Savings Deposits Mudaraba Term Deposits

Mudaraba Special Notice Deposits Other liabilities

Total liabilities Paid up capital

Statutory reserve Retained earnings

Contingent liabilities

PROPERTY AND ASSETS

Cash in hand (including foreign currencies)

Cash

Total equity Total liabilities and equity **OFF-BALANCE SHEET ITEMS**

Acceptances and endorsements Letters of guarantee

Other commitments
Undrawn formal standby facilities, credit lines and other commitments Total off-balance sheet items

9.234.393.448 The annexed notes 1 to 25 form an integral part of these financial statements.

Gride Sh Mohammed Hamidul Islam, FCA

Place of Issue: Dhaka Dated: 25 February 2021

Chief Executive Officer, Bangladesh

Naser Ezaz Bijoy

Profit and Loss Account

Standard Chartered Bank, Bangladesh Branches Islamic Banking Window (Saadiq)

Profit and Loss Account

for the year ended 31 December 2020

		2020	2019
	Notes	<u>Taka</u>	<u>Taka</u>
Investment income	13	918,155,520	1,221,179,907
Profit paid on deposits	14	287,283,772	445,345,178
Net investment income		630,871,748	775,834,729
Income / (Loss) from investments in shares and securities	15	44,649,566	27,680,670
Commission, exchange and brokerage	16	354,754,075	456,894,765
Other operating income		-	
		399,403,641	484,575,435
Total operating income		1,030,275,389	1,260,410,164
Salary and allowances		2,739,694	4,700,809
Rent, taxes, insurances, electricity etc.	17	1,131,191	355,922
Legal expenses Postage, stamps and telecommunication etc.	18	10.947	2,234 54,879
Stationery, printing and advertisement etc.	19	91.344	393,829
Repair, maintenance and depreciation	20	1,907,813	1,388,697
Other operating expenses	21	748,707	1,090,988
Total operating expenses		6,629,696	7,987,358
Profit/(loss) before provision		1,023,645,693	1,252,422,806
Provision for investments and off balance sheet exposures	12.1	121,637,914	142,089,845
Other provisions		-	-
Total provision		121,637,914	142,089,845
Total profit/(loss) before tax		902,007,779	1,110,332,961
Provision for income tax	12.3	409,458,277	500,969,122
Net profit/(loss) after tax for the year		492,549,502	609,363,839
The annexed notes 1 to 25 form an integral part of these finance	rial stateme	nts	

A. Qasem & Co. Chartered Accountants Registration No: PF 1015 brill the

Mohammed Hamidul Islam, FCA Enrolment No: 912 DVC No: 2102250912AS428829 Place of Issue: Dhaka Dated: 25 February 2021

Naser Ezaz Bijoy Chief Executive Officer Bangladesh

Md Abdul Kader Joaddar

Cash Flow Statement

Standard Chartered Bank, Bangladesh Branches Islamic Banking Window (Saadiq)

Cash Flow Statement for the year ended 31 December 2020

2019 Taka A) Cash flows from operating activities 1,253,861,295 994,090,848 Investment income (768,027,617) 421,735,224 (431,356.366) Profit paid on deposits Commission, exchange and brokerage received (4,700,809) (2,867,680) Cash paid to employees (2.739.694)Cash paid to suppliers (409, 458, 277) (500,969,122) Income tax paid Operating profit before changes in operating assets and liabilities 529,937,121 399,031,291 Increase/decrease in operating assets and liabilities Investments to customers 1.692.996.179 970.591.488 158,417,985 Deposits and other accounts (599,899,341) Net cash receipt/(payment) from changes in operating assets and liabilities 911,185,048 1,441,122,169 Net cash received from operating activities

B) Cash flow from investing activities Income from investments 33,973,138 19,971,378 Investment in Islamic bond (3,300,000,000) (50.000,000) Net cash used in investing activities (3,266,026,862) (30,028,622)

C) Cash flow from financing activities Profit transferred to Onshore Banking Unit (492,549,501) (609.363.839) Net cash used in financing activities (492,549,501) D) Net increase/(decrease) in cash and cash equivalents (A+B+C) (2,317,454,194) 1,283,410,686

E) Effect of exchange rate changes on cash and cash equivalents 4,002,474,884 F) Opening cash and cash equivalents

G) Closing cash and cash equivalents (D+E+F) (Note 22) A. Qasem & Co.

Gride Sh Mohammed Hamidul Islam,FCA Enrolment No: 912 DVC No: 2102250912AS428829

Naser Ezaz Bijov

1,685,020,690 4,002,474,884

(609,363,839)

2,719,064,198

Md Abdul Kader Joaddar

Place of Issue: Dhaka Dated: 25 February 2021

Statement of Changes in Equity

Standard Chartered Bank, Bangladesh Branches Islamic Banking Window (Saadiq)

Statement of Changes in Equity for the year ended 31 December 2020

Particulars	Capital Taka	Other reserve Taka	Retained earnings Taka	Total Taka
Balance as at 01 January 2020 Net profit for the year 2020 Profit transferred to Dhaka Onshore	-	-	- 492,549,502	492,549,502
Banking Unit	-	-	(492,549,502)	(492,549,502)
Balance as at 31 December 2020	-	-	-	-
Balance as at 01 January 2019 Net profit for the year 2019 Profit transferred to Dhaka Onshore Banking Unit		-	609,363,839 (609,363,839)	- 609,363,839 (609,363,839)
Balance as at 31 December 2019	-	-	-	-

A. Qasem & Co. Registration No: PF 1015

brill the Mohammed Hamidul Islam, FCA Enrolment No: 912 DVC No: 2102250912AS428829

Place of Issue: Dhaka Dated: 25 February 2021

Naser Ezaz Bijoy

Md Abdul Kader Joaddar Chief Financial Officer, Bangladesh

Notes to the Financial Statements

Standard Chartered Bank, Bangladesh Branches Islamic Banking Window (Saadiq) Notes to the Financial Statements As at and for the year ended 31 December 2020

1.0 The Bank and its activities

1.1 Name of the bank

Standard Chartered Bank (SCB), Bangladesh Branches ('the bank') commenced its Islamic banking window in Bangladesh on 26 February 2004 based on Islamic Shariah principles which is governed by the SCB Shariah Supervisory Committee based in Dubai.

Standard Chartered Bank (SCB), Bangladesh Branches ('the bank') commenced its banking operations in Bangladesh in 1948 after obtaining licence from the Central Bank of Bangladesh. SCB is incorporated in England with limited liability by Royal Charter 1853. The head office of the bank is situated in England at 1 singhall Avenue, London EC2V5DD and Bangladesh country head office is situated at 67 Gulsha Dhaka - 1212.

1.2 Principal activities of the Bank

SCB offers a comprehensive range of financial services in Bangladesh including retail banking and wealth management, commercial banking, corporate and institutional banking, financial markets, global trade and trade services, cash management, etc. There have been no significant changes in the nature of the principal activities of the Bank during the financial year under review.

2.1 Reporting period & Approval of financial statements

The financial statements cover a calendar year from 1 January 2020 to 31 December 2020. The financial statements are authorized for issue by management of the Bank on 24 February 2021.

2.2 Statement of compliance and basis of preparation

The Financial Reporting Act 2015 (FRA) was enacted in 2015 and the Financial Reporting Council (FRC) was formed in 2017 under the FRA. The FRA, among other things, issues financial reporting standards in line with International Financial Reporting Standards (IFRS) for public interest entities including Banks. The Bank Companies Act 1991 was amended incorporating the requirement for banks to prepare their financial statements following IFRS.

The financial statements of the Bank as at and for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the FRC and the requirements of The Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank (BB) and the Companies Act 1994. The Securities and Exchange Rules 1987 is not mandatorily applicable for non-listed foreign banks in Bangladesh. In case any requirement of the Bank Company Act 1991 and provisions and circulars issued by the central bank (herein after called Bangladesh Bank (BB)) differ with those of IFRS, the requirements of the Bank Company Act 1991 and provisions and circulars issued by BB shall prevail.

The financial statements of the Bank have been prepared in accordance with the "First Schedule (sec-38)" of The Bank Company Act 1991 as amended therein 2007, 2013 and 2018, BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRss) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRss) respectively.

Material departures from the requirements of IAS and IFRS are as follows

IAS/IFRS: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flows statement, adequate notes comprehensive accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of flowerist position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet partial loss account, cash flows statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of The Bank Companies Act 1991 (amendment up to 2018) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

IFRS: As per requirement of IFRS 9, where securities fall under the category of Held for Trading (HFT), any change in the fair value of held for trading securities 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 in the profit and loss account.

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

Revaluation gains / losses on Government securities
IFRS: As per requirement of IFRS 9, where securities fall under the category of Held for Trading (HFT), any change in the fair value of held for trading securities 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 in the profit and loss account. Bangladesh Bank: As per DOS circular no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28

January 2009, HFT securities are revalued on the basis of marking 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 as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount is 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 changes in amortisation are recognised in other reserves as a par

Repo and reverse repo transactions IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a investments and the underlying asset continues to be recognised in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (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 asset is derecognised in the seller's book and recognised in the buyer's book.

However, as per DMD circular letter no. 07 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a Investment, thereby continuing to recognise the asset.

Provision on Investments

IFRS: As per IFRS 9, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 15 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020, a general provision at 0.25% to 2% under different categories of unclassified investments (standard/SMA investments) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard investments, doubtful investments and bad/losses investments has to be provided at 5% to 20%, 5% to 50% and 100%, respectively for investments depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0% to 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by International Financial Reporting Standards (IFRS) 9: Financial Instruments.

IFRS: Investments to customers are generally classified as 'loans and receivables' as per IFRS 9 and profit is recognised through effective interest method over the term of the investments. Once an invetment is impaired, profit 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 an investment is classified, profit on such investments are not allowed to be recognised as profit, rather the corresponding amount needs to be credited to an profit in suspense account, which is presented as liability in the balance

vii) Other comprehensive income

IFRS: As per IAS 1 Presentation of Financial Statements 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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are to be followed by all banks. The templates for financial statements issued by Bangladesh Bank do not include OCI nor are the elements of OCI allowed to be included in a single other comprehensive income 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.

viii) Financial instruments - presentation and disclosure

Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in International Financial Reporting Standards (IFRS) 9: Financial Instruments and IFRS 7 Financial Instruments: Disclosures. As such full disclosure and presentation requirements of IFRS 7 is not

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognised initially at fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantees 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.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee etc. are reported as off-balance sheet items.

IFRS: As per IAS 7 Statement of Cash Flows, 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 circular no. 14 dated 25 June 2003, cash flow is the mixture of direct





Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of

Off-balance sheet items

IFRS: As per IFRS there is no requirement for disclosure of off-balance sheet items on the face of the

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off-balance sheet items (e.g. ter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet

xii) Investments net of provision

IFRS: Investments and advances shall be recognised net of impairment loss as per IFRS 9.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on investments are presented separately as liability and cannot be netted off against investments.

2.3 Basis of measurement

- The financial statements of the Bank have been prepared on historical cost basis except for the following: Government treasury bills and bonds designated as HFT and subsequently measured at fair value using marking to market concept with gains credited to revaluation reserve as per DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009; and
- Government treasury bills and bonds designated as HTM and subsequently measured using amortisation concept as DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009.
- Net defined benefit (asset) liability in respect of defined benefit plan recognised as the present value of defined benefit obligation less fair value of plan assets as per IAS 19 Employee Benefits

2.4 Foreign Currency

According to IAS 21 The Effects of Changes in Foreign Exchange Rates, tansactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the

Monetary assets, liabilities and fund deposited with Bangladesh Bank as capital denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the profit and loss account except for exchange rate differences on funds deposited with Bangladesh Bank as capital, which is recognised directly in

2.5 Functional and reporting currency

The financial statements of the Bank are presented in Bangladeshi Taka (Taka/Tk/BDT) which is the Bank's functional and reporting currency

2.6 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

are recognised in the periods in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying

accounting policies that have the most significant effect on the amounts recognised in the financial state are described below:

Provisions for Investments

The Bank assesses its investments for objective evidence of impairment on a regular basis and particularly at year end. While the primary criteria set out in BRPD circular no. 14 dated 23 September 2012,BRPD circular no. 03 dated 21 April 2019 and BRPD circular no. 16 dated 21 July 2020 for determining whether an investment is impaired are objective, based on borrower's ability to make timely repayments, investments may also be classified based on qualitative judgement. This involves making assessments regarding the economic environment in which borrowers operate in addition to making judgements about a borrower's financial condition and net realisable value of any underlying collateral.

The estimation of current tax provision involves making judgements regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes.

In addition, the recognition of deferred tax assets requires the Bank to estimate the extent to which it is probable that future taxable profits will be available against which the deferred tax assets may be utilised

Net defined benefit (asset) liability under defined benefit plan

The determination of the Bank's net defined benefit (asset) liability in respect of defined benefit plan involves the use of estimates regarding demographic variables such as employee turnover and mortality and financial variables such as discount rate, future increases in salaries and medical costs that will influence the cost of the benefit.

2.7 Going Concern These financial statements have been prepared on the assessment of the Bank's ability to continue as a going

concern. Islamic Banking Window (Saadiq), Bangladesh has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters including liquidity, profitability, asset quality, provision sufficiency and capital adequacy, credit rating of the Bank continued to exhibit a healthy trend for couple of years. Besides, the management is not aware of any naterial uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.8 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the basis of residual maturity term which has been given in the statemen

2.9 Significant accounting policies

2.9.1 Assets

2.9.1.1 Investments in shares and securities

Investments in treasury bills and Government bonds are accounted for in accordance with DOS Circular Letter No. 05 dated 26 May 2008 subsequently amended by DOS circular letter no. 05 dated 28 January 2009, which allow banks to use both HTM and HFT securities for fulfilment of Statutory Liquidity Reserve (SLR) requirements.

In accordance with the requirements of the aforementioned circulars, amortised discount or premium on HTM securities is recognised directly in equity. However, coupon profits are recognised in profit or loss. Gains arising from revaluation of HFT securities on 'Marking to Market' basis are recognised in revaluation reserve account while losses from revaluation of the same securities are recognised in profit or loss.

Bank's investments in unquoted shares are recorded at cost.

2.9.1.2 Fixed assets including premises, furniture and fixtures Items of fixed assets, other than land, are measured at cost less accumulated depreciation and impairment

losses, as per IAS 16 Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. Land is carried at cost.

Subsequent costs

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The cost of day-to-day servicing of fixed assets are expensed when incurred.

Depreciation Depreciation on premises other than freehold land, and other fixed assets, is recognised in profit or loss on a

straight line basis over the expected useful life of the assets based on cost. The estimated useful lives and the rate of depreciation for the current and comparative periods are as follows: Estimated useful life

Latillated daelul ille	nate of depreciation
3 to 15 years	7% - 33%
3 to 7 years	14% - 33%
5 years	20%
5 years	20%
1 to 12.5 years	8% - 100%
	3 to 15 years 3 to 7 years 5 years 5 years

Depreciation on additions to fixed assets is charged from the month in which such assets are capitalised, and adjustments to accumulated depreciation for disposals / write offs are made up to the month in which the relevant assets are disposed / written off

Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset which is recognised as gain or loss from disposal of asset under other operating income

2.9.1.3 Investments to customers

Investments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.

Investments are initially measured at fair value, and subsequently measured at amortised cost. These are stated gross with accumulated specific and general provisions for investments being shown under other

Investments are normally written off, when there is no realistic prospect of recovery and classified as 'Bad

Investment' complying with BRPD circular no. 13 dated 7 November 2013, BRPD circular no. 2 dated 13 January 2003 DEIM Circular letter no. 11 dated 21 November 2013 and BRPD circular no. 01 dated 06 February 2019. Designated units of the bank (GSAM for corporate customers and Credit & Collections for retail customers) monitor Investments written off and legal action taken against the classified customers. The written-off Investments do not undermine or affect the amount claimed against the borrower by the bank. The designated units of the bank maintains a separate record for all individual cases of written-off Investments. These units of the bank follow-up on the recovery efforts of the written-off Investments and advances until the full settlement of the claimed amount.

2.9.2 Liabilities

2.9.2.1 Borrowings from other banks, financial institutions and agents Borrowings from other banks, financial institutions and agents include both profit-bearing borrowings against

securities from Bangladesh Bank and other banks, vostro accounts balances and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance.

2.9.2.2 Deposits by customers and banks Deposits are the Bank's principal source of investments.

2.9.2.3 Provisions for other assets

BRPD circular no. 14 dated 25 June 2001 requires a provision of 100% on other assets which are outstanding

for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept.

Notes to the Financial Statements

2.9.2.4 Provisions on nostro accounts

Unclassified Investments under small and medium enterprise financing (SMEF)

Unclassified Investments under housing finance (HF)

Unsettled debit transactions (as per Bank's book and nostro statements) for more than three months on nostro accounts are reviewed at each balance sheet date by management and provisions are kept in accordance with Bangladesh Bank Foreign Exchange Policy Department, circular no. FEPD (FEMO)/01/2005-677 dated 13 September 2005. 2.9.2.5 Provisions for liabilities and charges

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an

outflow of resources embodying economic benefits is reliably estimated. 2.9.2.6 Provisions on Investments At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to

assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018, BRPD circular no. 16 dated 21 July 2020, BRPD circular letter no. 52 dated 20 October 2020 and BRPD circular no. 56 dated 10 December 2020. The guidance in the circulars follow a formulaic approach whereby specified rates are applied to the various categories of loans and advances as defined in the circular. The provisioning rates are as follows: General provision on: 2020 2019

Unclassified investments on investments for professionals (LP)	2.00%	2.00%	
Unclassified Investments under consumer financing (CF) other than housing finance	2.00%	5.00%	
(HF) and Investments for professionals (LP)			
Unclassified Investments under Credit Cards (CC)	2.00%	2.00%	
Unclassified Investments to brokerage houses (BH), merchant banks (MB), stock	2.00%	2.00%	
dealers (SD)			
All unclassified Investments except under SMEF, HF, LP, CF, BH, MB, SD and	1.00%	1.00%	
short-term agricultural and micro-credit scheme			
Unclassified Investments under short-term agricultural and micro-credit scheme	1.00%	1.00%	
Special General Provision- COVID-19	1.00%		
Off-balance sheet exposures:			
Acceptances and endorsements	1.00%	1.00%	
Letters of guarantee			
Counter guarantee rating-1	0.00%	0.00%	
Counter guarantee rating-2	0.50%	1.00%	
Counter guarantee rating-3 or 4	0.75%	1.00%	
Counter guarantee rating-Other	1.00%	1.00%	
Irrevocable letters of credit	1.00%	1.00%	
Bills for collection	0.00%	1.00%	
Forward contracts	1.00%	1.00%	
Undrawn formal standby facilities, credit lines and other commitments	1.00%	1.00%	
In accordance with BRPD circular no. 05 dated 29 May 2013, the rate of provision on the	e outstanding	g amount	
of investments kept in the 'Special Mention Account' will be the same as the rates state	d above depe	nding on	
the types of investments.			
Specific provision on:			
Substandard Investments	20%	20%	
Doubtful Investments	50%	50%	
Bad / loss Investments	100%	100%	
Substandard Investments under CMSME	5%	20%	
Doubtful Investments under CMSME	20%	50%	
Bad / loss Investments under CMSME	100%	100%	
Short-term agricultural and micro-credits:			
Substandard and Doubtful Investments	5%	5%	

2.9.2.7 Taxation

Bad / loss Investments

the higher of the two is recognised.

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in Current tax

The above rates are the minimum prescribed rates. BRPD circular no. 14 dated 23 September 2012 provides

scope for further provisioning based on qualitative judgements. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach above,

Current tax for the current and prior periods is recognised as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. The benefit of a tax loss which can be carried back to recover current tax of a prior period is recognised as an asset.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Bank is currently 40%. Deferred tax assets / (liabilities) As per IAS 12 Income Taxes, deferred tax assets / (liabilities) are calculated using the balance sheet method,

providing for temporary differences between the carrying amount of assets and liabilities and their tax bases. The tax base of assets is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to an entity (in this case, the Bank) when it recovers the carrying amount of the assets. The tax base of liabilities is their carrying amount, less any amount that will be deductible for tax purposes in respect of the liabilities in future periods. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. Deferred tax is calculated using the tax rates as prescribed in the Income Tax Ordinance (ITO) 1984 and relevant Statutory Regulatory Orders (SRO) and BRPD circular no. 11 dated 12 December 2011..

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and

are reduced to the extent that it is no longer probable that the related tax benefit will be realised 2.9.2.8 Workers Profit Participation (WPPF)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be The

bank has sought external legal opinion, whereby it was stated that there is significant ambiguity around the inclusion of Banking Institutions within the scope of Chapter XV: Workers' Profit Participation Fund (WPPF) under the Bangladesh Labour Act, 2006 (the 'Act') and the subsequent amendments thereof. As per the Act and amendments thereof, an employer is required to pay 5% of its net profit (as defined under the Act) to the 1) Workers' Participation Fund 2) Workers' Welfare Fund and 3) Labour Trust Foundation Fund for further appropriate disbursement of the funds to all members (i.e., 'Beneficiaries', as defined under the Act) as prescribed under the Act. . As per the external legal opinion sought by the Bank, the inclusion of Banks within the scope of the WPPF

under the Bangladesh Labour Act, 2006 is in contradiction with the relevant provisions under The Bank Companies Act, 1991. These ambiguities are yet to be settled and the Bank is seeking clarifications from appropriate Authorities. On the basis of the facts currently known and external legal opinions, management believes that the possibility of a legal obligation for payments out of WPPF is low at the current stage and hence, no provision has been made for the same

2.9.2.9 Employee benefits Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under performance bonus plans if the Bank has a present constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans - Provident fund

The Bank contributes to a locally registered provident fund scheme which is approved by the National Board of Revenue (NBR) for employees of the Bank eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. Obligations for contributions to the provident fund are recognised as an expense in profit or loss when they are due.

Defined benefit plans - Gratuity fund

The Bank operates a funded gratuity scheme recognised by National Board of Revenue (NBR). This fund is managed separately by 'SCB Employees Gratuity Fund Trust' and any investment decision out of this fund is also made by this Trust. The benefit is paid on separation to the eligible employees i.e. who have completed at ast 5 (five) years of continuous service. Gratuity is payable at the rate of one and a half month's gross salary (if length of service is 10 years and above) and one month's gross salary (if length of service is 5 years or more but less than 10 years) of last drawn for each completed year of service or any part thereof in excess of six months. In accordance with the requirements of IAS 19 Employee Benefits, the Bank's net obligation in respect of its gratuity fund is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting the benefit to determine its present value; and deducting the fair value of any plan assets. The calculation is performed by a qualified actuary using the Projected Unit Credit method.

The net interest expense (income) on the net defined benefit liability (asset) for the period is determined by applying discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Consequently, the net interest on the net defined benefit liability / (asset) comprises interest cost on defined benefit obligation, interest income on plan assets, and interest on the effect on the asset ceiling. Actuarial gains or losses that arise are recognised in equity and presented in the statement of changes in equity

in the period they arise. Past service costs are recognised in the period in which the plan amendment or

2.9.2.10 Capital The Bank's approach to capital management is driven by a desire to maintain a strong capital base to support

the development of its business, to meet regulatory capital requirements at all times and to maintain good Compliance with capital adequacy regulations

Capital requirements for the Bank at a local level are set and monitored by Bangladesh Bank. The capital that the Bank is required to hold is determined considering its balance sheet and off-balance sheet positions in

accordance with guidelines on risk based capital adequacy. The Bank's capital structure consists of Tier I and Tier II capital which is aligned with regulatory capital structure. Tier I capital is further categorized as Common Equity Tier 1 (CET1) and Additional Tier 1 capital. The computation of the amount of Common Equity Tier I, Additional Tier I and Tier II capital shall be subject to the following conditions:

- The Bank has to maintain at least 4.50% of total Risk Weighted Assets (RWA) as Common Equity Tier I capital.
- Tier I capital will be at least 6.00% of the total RWA Minimum Capital to Risk-weighted Asset Ratio (CRAR) will be 10% of the total RWA.
- Additional Tier I capital can be maximum up to 1.5% of the total RWA or 33.33% of CET 1, whichever is
- Tier II capital can be maximum up to 4% of the total RWA or 88.89% of CET1, whichever is higher. In addition to minimum CRAR, Capital Conservation Buffer (CCB) @ 2.5% of the total RWA will be maintained in the form of CET1.
- 2.9.3 Profit and Loss Accounts Income and Expenses

2.9.3.1 Profit income on conventional banking

Profit income are recognised in the profit and loss account using the effective profit method The effective profit rate is the rate that exactly discounts the estimated future receipts through the expected

life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

profit is accrued on a daily basis and applied to customer accounts every month, quarter and at maturity depending on the product offerings. In accordance with BRPD circular no. 14 dated 23 September 2012, profit accrued on sub-standard

investments and doubtful investments are credited to Profit Suspense Account which is included within Other iabilities. Profit from investments ceases to be accrued when they are classified as bad / loss.

Notes to the Financial Statements

constant rate of return on their carrying amounts. Overdue / late payment charge on investment is transferred

to charity suspense account instead of income account. 2.9.3.3 Profit income from investment in securities

Profit on investment in securities other than the amount of amortisation of premium and discount on securities classified as HTM which is recognised directly in equity in accordance with DOS circular no. 05 dated 26 May 2008, is recorded in the profit and loss account

Profit on investments is recognised, on an accrual basis, over the lifetime of the investments so as to reflect a

2.9.3.4 Commission and fee income

2.9.3.2 Profit on Saadig investments

The Bank earns commission and fee income from a diverse range of services (e.g. LC operations, accounts maintenance, custodial services, credit card renewal etc.) provided to its customers. Commission and fee income is accounted for as follows: income earned on the execution of a significant act is recognised as revenue when the act is completed

income earned from services provided is recognised as revenue as the services are provided. 2.9.3.5 Exchange income Exchange income includes all gains and losses from foreign currency transactions

2.9.3.6 Dividend income

Dividend income from the investments in unquoted shares in Central Depository Bangladesh Ltd. (CDBL) is recognised when it is received

2.9.3.7 Profit expense on deposits

Profit expense for all deposits are recognised in the profit and loss account using the effective profit method.

0.25%

1.00%

0.25%

1.00%

2.9.4.1 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there

is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. 2.9.4.2 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include notes and coins on hand and balances held with other banks and financial institutions and highly liquid investments that are readily

convertible to known amounts of cash and which are subject to an insignificant risk of change in value. 2.9.4.3 Materiality and aggregation Each material class of similar items has been presented separately in the financial statements. Items of

dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'. 3.00 Comparative information Comparative information including narrative and descriptive one is disclosed in respect of the preceding period where it is relevant to enhance the understanding of the current period's financial statements. Certain

comparative amounts in the financial statements are reclassified and rearranged where relevant, to conform to the current year's presentation

IFRS 17 Insurance Contracts

4.00 New accounting standards The Bank has consistently applied the accounting policies as set out in Note 2.9 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2020 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB vide letter 1/1/ICAB-2017 decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

There are no other standards that are not yet effective and that would be expected to have a materia

impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

			<u>2020</u>	<u>2019</u>
,	Cash	1	<u>Taka</u>	<u>Taka</u>
	a)	Cash in hand (including foreign currencies)		
		Local currency	3,893,653	1,710,783
		Foreign currencies	551,213	764,100
		Sub Total (a)	4,444,866	2,474,883
	b)	Balance with Bangladesh Bank and its agent banks (including foreign currencies)		
		Balance with Bangladesh Bank (local currency) Balance with agent banks of Bangladesh Bank	1,680,575,824	4,000,000,000
		Sub Total (b)	1,680,575,824	4,000,000,000
		Grand Total (a+b)	1,685,020,690	4,002,474,883

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) As per section 33 of the Bank Company Act 1991 (amended up to 2018) & MPD circular No. 03 dated 09 April

2020 issued by Bangladesh Bank (effective from 15 April 2020), SCB has been maintaining 3.5% CRR on daily basis and 4.0% CRR on bi-weekly basis. CRR requirement is calculated on the basis of weekly average tota demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2020 is maintained on the basis of weekly ATDTL of October 2020).

Pursuant to section 33 of the Bank Company Act 1991 (amended up to 2018) & MPD circular No. 02 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), SCB has been maintaining 5.5% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2020 is based on weekly ATDTL of October 2020). Reserve naintained by the bank as at 31 December are as follows: Cash Reserve Ratio (CRR)

Daily 3.5% (2019: 5.0%) of average demand and time liabilities: Required reserve 598,985,604 876,371,520 Actual reserve held with Bangladesh Bank Surplus 1,081,590,220 3,123,628,480 Bi-weekly 4.0% (2019: 5.5%) of average demand and time liabilities: 684,554,976 964,008,672 Bi-weekly average reserve held with Bangladesh Bank 1,962,928,766 4,114,705,882 1,278,373,790 3,150,697,210 Surplus 5.3 Statutory Liquidity Ratio (SLR) 5.5% of Average demand and time liability 941,263,092 964,008,672 Required reserve Actual reserve held with Bangladesh Bank (Note 5.3.1) 5,250,465,691 3,988,465,883 4,309,202,599 3,024,457,211

Cash in hand (Note- 22) 2.474.883 4.444.866 Excess amount of CRR used for SLR 4 250 000 000 Government Islamic Bonds (Note- 6) 950.000.000 5.250.465.691 3.988.465.883 Investments in shares and securities Market value

4,250,000.000

Purchase

Taka

Taka

4.250.000.000 4.250.000.000

Holdina Particulars number 31 December 2020 Taka

Government Islamic bond

5.3.1 Actual reserve held for SLR

	. , .,	<u>2020</u> <u>Taka</u>	<u>2019</u> <u>Taka</u>
.1 Maturity - W	ise classification		
Repayable on de	mand	-	
Residual maturi	ty of		
Not more than or	ne month	-	-
More than 1 mon	th but not more than 3 months	3,250,000,000	-
More than 3 mon	ths but not more than 1 year	1,000,000,000	950,000,000
More than 1 year	but not more than 5 years	-	-

	iviore t	nan 5 years	-	-
			4,250,000,000	950,000,000
7	Inves	stments		
7.1	Mod	e-wise investments		
	a)	In Bangladesh Murabaha Diminishing Musharaka Hurah Purchase Shirkatul Melk (HPSM) Ujrah (Saadiq Credit Card) Musharaka	174,001,546 3,393,160,514 6,257,225,390 371,149,296	316,999,048 4,386,636,965 6,918,635,344 407,735,441 400,109,666
			10,195,536,746	12,430,116,465
	b)	Outside Bangladesh	-	-
		Total (a+b)	10,195,536,746	12,430,116,465

7.2 Geographical location-wise classification of investments In Bangladesh In rural areas

12,430,116,465 10,195,536,746 In urban areas 12,430,116,465 10.195.536.746 Dated: 24 February 2021 Outside Bangladesh 10.195.536.746 12.430.116.465 Total (a+b) 7.3 Maturity grouping of investments 237,210,379 790,561,183 Repayable on demand 148 788 866 507,117,124

Not more than three months More than 3 months but not more than 1 year More than 1 year but not more than 5 years

901,733,887 1.486.813.994 4,098,264,809 5,398,071,717 4 539,632,060 More than 5 years 4 517 459 192 10,195,536,746 12,430,116,465 7.4 Division-wise classification of investments 10,195,536,746 12,430,116,465 10,195,536,746 12,430,116,465 Customer Group-wise classification of investments

(ii) Small and Medium Enterprises iii) Large Enterprises (iv) Corporate customers

3.764.309.810 3.299.433.255 2,961,075,352 170.718.329 10.195.536.746

4.004.391.151

3.570.802.220

3,353,138,680

1 501 784 414

12,430,116,465



No	otes to the Financial Statements		
	(i) Investment to Potali Contamina	2020 <u>Taka</u>	2019 <u>Taka</u>
	(i) Investment to Retail Customers Murabaha Diminishing Musharaka	3,393,160,514	154,294 3,596,501,416
	Ujrah-Saadiq Credit Card	371,149,296 3,764,309,810	407,735,441 4,004,391,151
	(ii) Investment to small and medium enterprises Murabaha Diminishing Musharaka	3,283,217	5,305,555 -
	Hire Purchase Shirkatel Melk (HPSM)	3,296,150,038 3,299,433,255	3,565,496,665 3,570,802,220
	(iii) Investment to large enterprises Murabaha Diminishing Musharaka	-	-
	Hire Purchase Shirkatel Melk (HPSM)	2,961,075,352 2,961,075,352	3,353,138,680 3,353,138,680
	(iv) Investment to corporate and Institutional customers Musharakah Murabaha	- 170,718,329	400,109,666 311,539,199
	Diminishing Musharakah	170,718,329	790,135,549 1,501,784,414
7.6	Group-wise classification of investments a) Investment to Directors b) Investment to Chief Executive and other senior executives	-	-
	c) Investment to customers group (15% of equity and above) Sub Total (a+b+c)	-	-
	Industry-wise classification of investments category of in Industry-wise classification of investments category of inclusions.	-	r
	i) Garments ii) Textiles	-	-
	iii) Agro based industry (iv) Pharmaceutical Industries (v) Milk Processing Industries	-	- - -
	(vi) Other Business Institutions vii) Other industry * Sub Total (i+ii+iii+iv+v+vi+vii)	3,764,309,810 3,764,309,810	4,004,391,150 4,004,391,150
	Industry-wise classification of investments category of -5 i) Garments		
	ii) Textiles iii) Agro based industry (iv) Pharmaceutical Industries	40,003,084 67,018,452 39,426,791	59,414,434 69,745,698
	(v) Milk Processing Industries (vi) Other Business Institutions	1,241,194,279	1,322,033,783
	vii) Other industry * Sub Total (i+ii+iii+iv+v+vi+vii)	1,888,425,310 3,299,433,255	2,017,971,947 3,570,802,220
	Industry-wise classification of investments category of -I i) Garments ii) Textiles	-	65,090,394
	iii) Agro based industry (iv) Pharmaceutical Industries (v) Milk Processing Industries	8,483,181 - -	9,008,368
	(vi) Other Business Institutions vii) Other industry *	2,420,951,952 531,640,218	2,658,400,982 620,638,936
	Sub Total (i+ii+iii+iv+v+vi+vii) Industry-wise classification of investments category of C	2,961,075,351 orporate and Institution	3,353,138,680 anl Customer
	i) Garments ii) Textiles iii) Agro based industry	- - 375,489	21,772,800 13,044,450
	(iv) Pharmaceutical Industries (v) Milk Processing Industries (vi) Other Business Institutions	170,342,839	1,466,857,498
	vii) Other industry * Sub Total (i+ii+iii+iv+v+vi+vii)	170,718,329	109,666 1,501,784,415
	Grand Total (a+b+c+d) *This includes investments disbursed to individuals and s	10,195,536,746 small and medium enter	12,430,116,465 rprise customers.
7.7	Status-wise classification of investments a) Unclassified: Standard	10,415,846,797	12,006,285,368
	Special mention account Sub Total (a)	46,988,644 10,462,835,442	42,357,604 12,048,642,972
	b) Classified: Substandard Doubtful	193,802,634 81,297,495	139,056,532 15,813,354
	Bad/loss Sub Total (b)	199,184,715 474,284,844	426,603,608 581,473,493
7.8	Grand Total (a+b) Particulars of investments	10,937,120,286	12,630,116,465
	a) Investments considered good in respect of which the Bank is fully secured; b) Investments considered good in respect of which	9,053,917,685	10,663,780,806
	the Bank holds debtor's personal security; c) Investments considered good and secured by personal security of one or more persons in addition to	-	-
	the personal security of debtors; d) Investments considered bad or doubtful not provided for; e) Investments due by directors or employees of the Bank or	-	-
	any of them either severally or jointly with any other persons; f) Investments due by director or employees of the Bank are interested as directors, partners or managing agents or in	-	-
	case of private companies as members; g) Total amount of investments, including temporary investments, made at any time during the year to directors or managers or	_	_
	officers of the Bank or any of them either separately or jointly with any other person; h) Total amount of investments, including temporary investments		
	granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in case of private companies as members;	-	-
	i) Investment due from other banks j) Classified investment on which profit has not been charged k) Particulars of cumulative written off investments	199,184,715	426,603,608
	i) Cumulative amount of investment written off since inception to 31st December last year ii) Amount written off during the year	309,881,399 42,172,254	219,093,651 90,787,748
	Cumulative amount of investments written off iii) Amount recovered against such written off investment up to this year	352,053,653 4,510,095	309,881,399 5,715,474
8	v) The amount of written off investment for which law suit has been filed Bills purchased & discounted	147,907,342	126,220,456
	Inside Bangladesh Outside Bangladesh	741,583,540 - 741,583,540	200,000,000
	(i) Bills purchased & discounted-Product wise classificati Bai Murabahah	on 741,583,540	-
	Musharakha	741,583,540	200,000,000
	(ii) Classification on residual maturity basis Payable within one month Payable over one month but within three months	1,439,170 740,144,370	200,000,000
	Payable over three months but within six months Payable over six months	-	-
8.1	Bills purchased & discounted - sector wise classification	741,583,540	200,000,000
	(a) Garments (b) Textiles (c) Agro based industry	-	-
	(d) Pharmaceutical Industries (e) Milk Processing Industries	744 500 5	200,000,000
	(f) Other Business Institutions (Commerce) (d) Other Industry	741,583,540 - 741,583,540	200,000,000
9	Fixed assets including premises Premises fixed equipment	2,795,370	2,795,370
	Computer and office equipment Furniture and fittings	76,350 1,967,672 4,839,392	76,350 1,967,672 4,839,392
	Less : Accumulated depreciation Refer to Annexure - A for detailed analysis.	4,839,392 4,839,392 -	4,839,392 4,839,392 -
10	Other assets Profit receivable on investment	50 101 154	78.250.000
	Profit receivable on investment Sundry debtors Intra branch balances in Bangladesh	52,191,154 6,821,907 6,450,037,634	78,369,028 16,447,672 5,365,985,095
	Accrued commission receivable Prepaid expenses	711,380 2,541,260	35,198,545 803,000
11	Deposits and other accounts	6,512,303,335	5,496,803,340
	Al - Wadeeah Current Account Deposits Mudaraba Savings Deposits Mudaraba Term Deposits	1,345,037,394 11,301,304,580 3,944,787,094	947,821,149 8,778,469,806 7,531,432,503
	Mudaraba Special Notice Deposits Other deposits	67,064,150 100,573,216	37,249,523 63,692,793

Note	es to the Financial St	atements			Notes to the Fir
			2020 Taka	2019 Taka	
	aturity analysis of deposits and oth yable on demand	er accounts	12,748,678,924	9,789,983,748	15 Income from investm
Re	sidual maturity of				Profit on Govt. Islamic
	ot more than one month ore than 1 month but not more than 6	months	819,847,599 2,166,431,635	5,204,214,954 899,941,004	16 Commission, exchan
Mo	ore than 6 months but not more than	1 year	724,023,239	1,154,263,845	Commission
	ore than 1 year but not more than 5 year ore than 5 years but less than 10 year		296,548,770 3,236,265	310,262,222	Exchange
	claimed deposits for 10 years or mor		-	-	17 Rent, taxes, insurance
12 Ot	her liabilities		16,758,766,433	17,358,665,773	Rent, rates and taxes
	ovision for investments including	,	464,638,302	415,909,854	Electricity and lighting Insurance
Sp	d & doubtful investments (Note- 12.1 ecial General Provision-COVID-19 (N	ote- 12.1)	35,859,168 107,888,838	68,807,811	modranoc
	ofit/rent suspense account (Note - 12 come tax liability (Note - 12.3)	.2)	97,287,780	241,360,374	18 Postage, stamps and
Pro	ofit payable on deposit		10,467,379	15,340,195	Telephone Courier & air freight
	T & Tax payabe spense account		15,568,777 9,110,075	8,843,953 26,936,703	Courier & air freight
	arity payable ernal investment/deposit		5,871,271,057 29,917	4,921,271,057	19 Stationery, printing a
Ac	crued expenditure		5,519,182	4,888,651	Printing and stationery
	crued bonus points hers		8,037,404 6,625,677,878	17,370,317 5,720,728,915	Advertisement and pul
	ovision for investments and off bala	•	es		20 Repair, maintenance
a)0	Current year provision for investme General provision:	nts			Repair and maintenand
	Standard		122,228,345	110,369,108	Depreciation (Annexur
	Special mention account		856,062 123,084,408	480,425 110,849,533	21 Other operating expe
	Specific provision: Standard		49,756,337	-	Travelling and transport
	Special Mention Account Substandard		8,116,659 41,879,106	14,576,978	Subscription expenses Security services
	Doubtful Bad / loss		24,044,788 161,272,237	6,292,175 210,555,991	Support Service Costs
	Dau / IOSS		285,069,128	231,425,144	Other office expenses
			408,153,536	342,274,677	
b)	General provision (GP) against un Opening balance	ciassified investme	184,484,711	175,425,525	00 0 1
	Charge/ (release) during the year Special General Provision- COVID-	19	(23,624,293) 35,859,168	(13,891,285)	22 Cash and cash equiveneral Cash in hand (including
	Provision on off-balance sheet expe		18,708,757	22,950,472	Balance with Banglade
	Net charge to profit & loss account Closing balance (b)		30,943,632 215,428,342	9,059,187 184,484,711	Balance with other bar
c)	Specific provision (SP) against cla	assified investments			23 Related party transact
	Opening balance Add: Charge during the year		231,425,143 133,759,383	178,839,355 278,527,118	23.1 Related parties
	Less: Release/Recovery during the Less: Written-Off during the year	year	(38,555,005) (41,560,394)	(139,780,987) (86,160,344)	The related parties of the Unit (OBU), the ultimate
	Closing balance (c)		285,069,127	231,425,143	management personnel is considered an integra
	Closing Balance (GP and SP) (b+c	:)	500,497,469	415,909,854	for the purposes of IAS close members of their
d)	Charge/ (release) in profit and los	s account	00.040.000	0.050.107	voting power is held, as
	General provision Specific provision		30,943,632	9,059,187	planning, directing and 23.2 Transactions with gro
	Charge/ (release) during the year Release/Recovery during the year		133,759,383 (38,555,005)	278,527,118 (139,780,987)	The Bank provides an Bangladesh Onshore B
	Recovery of debts previously writt	en-off	(4,510,095) 90,694,282	(5,715,473) 133,030,658	intra-branch transit according to the disclosure of the
	Total Charge/ (release)		121,637,914	142,089,845	transactions during the
12.1.1 Ad	lequacy of provision vis a vis provision	Base for provision	2020	2019	Other than the above, the were no balances outstands
	quired to be maintained eneral provision	2020 only <u>Taka</u>	<u>Taka</u>	<u>Taka</u>	23.3 Transactions with ke
	off-balance sheet exposures at various rates	9,234,393,448	92,343,934	73,635,177	During 2020 there were BDT Nil). Neither were t
On	standard investment at various rates special mention accounts (SMA) at various rates	10,432,835,074 46,988,644	122,228,345 856,062	110,369,108 480,425	No portion of compensate to the branch for purpose
	· · · · · · · · · · · · · · · · · · ·	19,714,217,167	215,428,342	184,484,711	23.4 Transactions with pos As with the conventional
Sp	ecific provision				benefits from two pos
	n sub-standard investment n doubtful investment	41,753,240	3,921,048	6,715,201	contribution plan and a for all eligible employee
	n bad / loss investment	20,798,214 41,276,033	5,695,628 41,276,033	2,775,388 121,808,164	through inter branch tra 24 Events after the balan
		103,827,488	50,892,710	131,298,754	There were no materia
	tal provision required to be maintaine	d	266,321,052	315,783,464	25 General 25.1 Audit committee
	tal provision maintained	ember	500,497,469 234,176,417	415,909,854 100,126,390	SCB Bangladesh operati
12.2 Pr	ofit/rent suspense account				committee in Banglades 24 March 2011 on the
	alance as at 1 January	at during the	68,807,811	44,305,044	December 2002. At the Operations Risk and Co
	nount transferred to suspense accour nount recovered from suspense acco		67,364,319 (27,671,432)	55,010,397 (25,285,709)	overall control issues of provide necessary direct
	nount written off during the year		(611,860)	(4,627,404)	through the relevant reg Board Audit Committee
	nount waived during the year		-	(594,516)	the Group.
	alance as at 31 December		107,888,838	68,807,811	25.2 Exchange rates The assets and liabilities
Op	pening balance		-	-	rates:
	ovision made during the year nount paid during the year		409,458,277 (409,458,277)	500,969,122 (500,969,122)	
7 (11	- Fara and and Jour		-	-	USD 1
	vestment income usharaka		14,270,694	69,612,262	GBP 1
Din	minishing Musharaka		335,711,341	450,421,689	EUR 1 25.3 Figures appearing in the
Hir	oods Murabaha re Purchase Shirkatel Melk (HPSM)		34,494,753 530,709,015	52,412,538 648,733,418	25.4 Previous year's figures h
Ва	i-Murabaha		2,969,717 918,155,520	1,221,179,907	20.4 Frevious year's figures i
	ofit paid on deposits				Vere
	ıdaraba savings deposits ıdaraba term deposits		123,000,723 152,647,130	52,594,046 384,196,149	Naser Ezaz Bijo
Mu	udaraba term deposits udaraba special notice deposits udaraba other deposits (Deposit Ins. Pre	emium)	7,740	42,442 8,512,542	Chief Executive Officer, B
IVIU	adaraba otridi deposits (Deposit Iris. Pre	anium)	11,628,179 287,283,772	445,345,178	Place of Issue Dhaka Dated: 25 February 2021
			201,200,112	770,070,110	Dateu. 20 I cortuary 2021
Sche	edule of Fixed Assets				

INC	tes to the Financial Statements						
45		2020 <u>Taka</u>	2019 <u>Taka</u>				
	Income from investments in shares and securities Profit on Govt, Islamic bond	44,649,566	27,680,670				
	Tolk on dovi. Islamic bond	44,649,566	27,680,670				
16	Commission, exchange and brokerage						
	Commission	340,326,482	451,412,688				
	Exchange	14,427,593	5,482,07				
		354,754,075	456,894,765				
	Rent, taxes, insurances, electricity etc.						
	Rent, rates and taxes	678,850	133,679				
	Electricity and lighting Insurance	37,057 415,284	133,599 88,64				
	msdranoc	1,131,191	355,92				
18	Postage, stamps and telecommunication etc.						
	Telephone	7,688	25,96				
	Courier & air freight	3,259	28,91				
		10,947	54,87				
19	Stationary printing and advertisement ato	10,011	01,01				
	Stationery, printing and advertisement etc. Printing and stationery (Computer and Others)	90.617	206,26				
	Advertisement and publicity	727	187,56				
		91,344	393,82				
	Repair, maintenance and depreciation						
	Repair and maintenance	1,907,813	1,388,69				
	Depreciation (Annexure A)	1,907,813	1,388,69				
21	Other energting expenses	1,001,010	.,500,50				
	Other operating expenses Travelling and transportation		5.75				
	Subscription expenses	_	5,75 1,98				
	Security services	-	164,04				
	Support Service Costs	313,449	422,90				
	Other office expenses	435,258	496,30				
		748,707	1,090,98				
	Cash and cash equivalents						
	Cash in hand (including foreign currencies)	4,444,866	2,474,88				
	Balance with Bangladesh Bank and its agent banks Balance with other banks and financial institutions	1,680,575,824	4,000,000,000				
		1,685,020,690	4,002,474,88				
23	Related party transaction						
	Related parties The related parties of the Bank includes SCB Bangladesh Branc Unit (OBU), the ultimate parent company Standard Chartered management personnel of SC Plc and SCB Bangladesh as well a is considered an integral part of the Bank for management purp for the purposes of IAS 24 are considered to be Country Manag close members of their families and companies they control, or voting power is held, as ultimately it is CMT members of the Bar planning, directing and controlling the branch activities.	Bank (SC) Plc, other SC as their close family mem oses, key management p gement Team (CMT) mer r significantly influence, of	CB group entities, ke bers. Since the branc ersonnel of the branc nbers of the Bank and or for which significar				
23.2	Transactions with group entities The Bank provides and receives certain banking and finance						
	Bangladesh Onshore Banking Unit. As at the year end, the lintra-branch transit account under Notes - 10 and 12.						
	The disclosure of the year end balance is considered to be transactions during the year.	the most meaningful inf	ormation to represer				
	Other than the above, the branch did not have any material trans		roup entities and ther				
	were no balances outstanding at the year end with these entities Transactions with key management personnel						
	During 2020 there were no transactions between the branch and	key management person	nnel of SCB Plc (2019				
	BDT Ňii). Neither were there any transactions between the branc No portion of compensation paid to the Bank's key management to the branch for purposes of preparing these financial statemen	ch and key management personnel (CMT membe	personnel of the Ban ers) has been attribute				
	Transactions with post employment benefit plans As with the conventional banking branches of the Bank, employs benefits from two post-employment benefit plans: a provide contribution plan and a gratuity fund which is in the nature of a d for all eligible employees of the Bank as a whole, with contribut through inter branch transaction.	ent fund which is in the efined benefit plan. These	e nature of a define e funds are maintaine				
24	Events after the balance sheet date There were no material adjusting events after the balance she	eet date.					
25 25.1							
	the Group. Exchange rates						
	The assets and liabilities as at 31 December in foreign currencie	s have been converted to	o Taka at the followin				
	rates:	20 20)19				

2019 <u>Taka</u> USD 1 84.8020 84.9000 114.8304 111.3591

EUR 1 103.9757 95.0795 5.3 Figures appearing in these financial statements have been rounded off to the nearest Taka.

4 Previous year's figures have been rearranged, where necessary, to conform with the current year's presentation. Naser Ezaz Bijoy
Chief Executive Officer, Bangladesh Place of Issue Dhaka

Md Abdul Kader Joaddar Chief Financial Officer, Bangladesh

Annexure - A

Annexure - B

Amount in Taka

Standard Chartered Bank, Bangladesh Branches Islamic Banking Window (Saadiq) Schedule of Fixed Assets

as at 31 December 2020

as at 31 December 2020									Amount in Taka
			Cost		Depreciation				Net book value
Particulars	Balance as at 1 January 2020	Additions during the year	Disposals/ adjustments during the year	Balance as at 31 December 2020	Balance as at 1 January 2020	Charge for the year	On disposals/ adjustments	Balance as at 31 December 2020	as at 31 December 2020
Own assets									
Freehold premises	-	-	-	-	-	-	-	-	-
Fixed equipments	2,795,370	-	-	2,795,370	2,795,370	-	-	2,795,370	-
Computer and office equipments	76,350	-	-	76,350	76,350	-	-	76,350	-
Furniture and fittings	1,967,672	-	-	1,967,672	1,967,672	-	-	1,967,672	-
Sub-total	4,839,392	-	-	4,839,392	4,839,392	-	-	4,839,392	-
Leased assets Capitalised leased equipments	-	-	•			-	-		-
Sub-total	-	-	-			-	-		-
Total 2020	4,839,392	-	-	4,839,392	4,839,392	-	-	4,839,392	-

Schedule of Fixed Assets as at 31 December 2019 Amount in Taka Net book value Cost Depreciation as at 31 December Balance as at 31 December 2019 Disposals/ adjustments during the year Additions Balance as at On Balance as at Charge for the year **Particulars** Balance as at 31 On disposals/ adjustments 1 January 2019 1 January 2019 2019 Own assets
Freehold premises
Fixed equipments
Computer and office equipments
Furniture and fittings 2,795,370 76,350 1,967,672 2,795,370 76,350 1,967,672 2,795,370 76,350 1,967,672 2,795,370 76,350 1,967,672 Sub-total 4,839,392 4,839,392 4,839,392 4,839,392 Leased assets
Capitalised leased equipments
Sub-total 4,839,392 4,839,392 4,839,392 4,839,392 Total 2019

Liquidity Statement (Asset and Liability Maturity Analysis)

Standard Chartered Bank, Bangladesh Branches Islamic Banking Window (Saadiq)

Liquidity Statement
(Asset and Liability Maturity Analysis)
as at 31 December 2020

Particulars	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total 2020
Assets	Taka	Taka	Taka	Taka	Taka	Taka
Cash in hand	1,685,020,690	-	-	-	-	1,685,020,690
Balance with other banks and financial institutions Placement with other banks and financial institutions	-	-	-	-	-	-
Investment in Shares and Securities	[]	3,250,000,000	1,000,000,000	-	[]	4.250.000.000
Investments	334,468,508	1,063,021,022	901,733,887	4,098,264,809	4,539,632,060	10,937,120,286
Fixed assets		-	-	-	-	
Other assets Non-banking assets	6,512,303,335	-	-	-		6,512,303,335
3 *** **	0 504 700 500	4 040 004 000	4 004 700 007	4 000 004 000	4 500 600 000	00 004 444 044
Total assets	8,531,792,533	4,313,021,022	1,901,733,887	4,098,264,809	4,539,632,060	23,384,444,311
Liabilities						
Placement from other banks and financial institutions	10 500 500 504	- 4 400 007 700	1 000 007 004		0.000.005	10 750 700 100
Deposits and other accounts	13,568,526,524 6.017.291.571	1,193,827,783	1,696,627,091	296,548,770	3,236,265 608,386,308	16,758,766,433 6.625.677.878
Other liabilities (including equity)	-,- , - ,-					-,,- ,
Total liabilities	19,585,818,095	1,193,827,783	1,696,627,091	296,548,770	611,622,573	23,384,444,311
Net liquidity difference	(11,054,025,561)	3,119,193,239	205,106,796	3,801,716,039	3,928,009,488	-



16,758,766,433

17,358,665,773

