### Balance Sheet

**Standard Chartered Bank**

**Bangladesh Branches**

**Balance Sheet as at 31 December 2019**

#### PROPERTY AND ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Taka (000)</th>
<th>Taka (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand</td>
<td>5,665,517,804</td>
<td>5,472,533,884</td>
</tr>
<tr>
<td>Cash at banks, including inter-bank deposits</td>
<td>4,127,723,841</td>
<td>3,640,521,889</td>
</tr>
<tr>
<td>Money and vault cash</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bills purchased and discounted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>27,099,176,660</td>
<td>66,163,284,313</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>98,612,005</td>
<td>98,612,005</td>
</tr>
<tr>
<td>Liabilities and capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net lending</td>
<td>-97,187,371,964</td>
<td>-263,858,959,481</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>690,086,421</td>
<td>690,086,421</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>289,641,786,231</td>
<td>293,945,901,886</td>
</tr>
</tbody>
</table>

#### Liabilities and Capital

<table>
<thead>
<tr>
<th>Description</th>
<th>Taka (000)</th>
<th>Taka (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from other banks, financial institutions and agents</td>
<td>10,893,857,939</td>
<td>10,893,857,939</td>
</tr>
<tr>
<td>Current and other accounts</td>
<td>39,833,867,457</td>
<td>39,833,867,457</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>50,727,725,396</td>
<td>50,727,725,396</td>
</tr>
</tbody>
</table>

#### Total liabilities and equity

<table>
<thead>
<tr>
<th>Description</th>
<th>Taka (000)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>50,727,725,396</td>
<td>50,727,725,396</td>
</tr>
<tr>
<td>Total equity</td>
<td>238,914,060,885</td>
<td>243,218,176,490</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>289,641,786,231</td>
<td>293,945,901,886</td>
</tr>
</tbody>
</table>

### Cash Flow Statement

**Standard Chartered Bank**

**Bangladesh Branches**

**Cash Flow Statement for the year ended 31 December 2019**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A) Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>33,263,016</td>
<td>33,263,016</td>
</tr>
<tr>
<td>Commission income</td>
<td>20,329,024</td>
<td>20,329,024</td>
</tr>
<tr>
<td>Dividend income</td>
<td>22,500,000</td>
<td>22,500,000</td>
</tr>
<tr>
<td><strong>Total cash received from operating activities</strong></td>
<td>75,800,040</td>
<td>75,690,040</td>
</tr>
<tr>
<td><strong>B) Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit remitted to Head Office</td>
<td>(5,091,000,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash received from investing activities</strong></td>
<td>(5,091,000,000)</td>
<td>(5,091,000,000)</td>
</tr>
<tr>
<td><strong>C) Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash received from (i)/lending activities</td>
<td>36,809,028,095</td>
<td>36,922,692,214</td>
</tr>
<tr>
<td><strong>Total cash received from financing activities</strong></td>
<td>36,809,028,095</td>
<td>36,922,692,214</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>(17,071,328)</td>
<td>(7,937,910)</td>
</tr>
<tr>
<td><strong>D) Open cash and cash equivalents</strong></td>
<td>116,303,146,349</td>
<td>118,276,214,016</td>
</tr>
</tbody>
</table>

### Statement of Changes in Equity

**Standard Chartered Bank**

**Bangladesh Branches**

**Statement of Changes in Equity for the year ended 31 December 2019**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A) Profit before income tax</strong></td>
<td>19,376,840,659</td>
<td>16,393,492,081</td>
</tr>
<tr>
<td><strong>B) Dividend declared</strong></td>
<td>1,275,380,667</td>
<td>515,532,058</td>
</tr>
<tr>
<td><strong>C) Exchange rate changes in cash and cash equivalents</strong></td>
<td>(4,208,388,098)</td>
<td>2,177,814,626</td>
</tr>
<tr>
<td><strong>D) Net income</strong></td>
<td>20,387,834,137</td>
<td>18,080,279,421</td>
</tr>
<tr>
<td><strong>E) Contributed capital from shareholders</strong></td>
<td>1,115,917,700</td>
<td>1,312,328,302</td>
</tr>
<tr>
<td><strong>F) Revaluation of foreign currency</strong></td>
<td>26,667,540</td>
<td>123,976,552</td>
</tr>
<tr>
<td><strong>G) Total profit and loss</strong></td>
<td>21,303,752,377</td>
<td>19,392,854,239</td>
</tr>
<tr>
<td><strong>H) Total profit for the year</strong></td>
<td>21,303,752,377</td>
<td>19,392,854,239</td>
</tr>
</tbody>
</table>

### Notes

- **A) Cash and cash equivalents**
- **B) Cash and cash equivalents as at 31 December 2018/2019**
- **C) Profit margins**
- **D) Net profit**
- **E) Exchange rate changes in cash and cash equivalents**

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Independent Auditor’s Report

Independent auditor’s report to the management of Standard Chartered Bank (SCB) Bangladesh Branches

We have audited the financial statements of Standard Chartered Bank (SCB) Bangladesh Branches which comprise the balance sheet, statement of profit and loss and cash flow statement and a statement of changes in equity for the year ended 31 December 2019 and the related notes. Our audits are in accordance with Bangladesh Auditing and Accounting (BA & A) and other applicable laws and regulations.

In expressing the opinions stated in this report, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2019, and of its performance of operations and of its cash flows for the year then ended in accordance with the Bangladesh Auditing and Accounting (BA & A). The International Financial Reporting Standards (IFRS) as explained in note # 3 and comply with the Banking Regulations, 1991 as amended up to date, laws 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 (ISA). 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 (IESBA) and requirements of Bangladesh Bank, 1993 and other applicable laws and regulations.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the BA & A. Our responsibility, in accordance with those standards, is to express an opinion on the financial statements based on our audit. We have fulfilled those responsibilities by obtaining evidence through a combination of audit procedures, including inquiries, observation, reperformance and analytical procedures.

We believe that the 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

Management is responsible for assessing the Bank's ability to continue as a going concern, and, based on that assessment, uses going concern basis of accounting unless management either intends to liquidate the Bank, or to cease operations, or to sell a significant part of the Bank’s assets, or other factors cast significant doubt on the Bank’s ability to continue as a going concern.

In preparing the financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, and, based on that assessment, uses going concern basis of accounting unless management either intends to liquidate the Bank, or to cease operations, or to sell a significant part of the Bank’s assets, or other factors cast significant doubt on the Bank’s ability to continue as a going concern.

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 unqualified opinion that does not contain a qualification or an explanatory matters section.

We have chosen the going concern basis of accounting, the basis that is appropriate in the circumstances of the Bank. We have assessed the Bank’s ability to continue as a going concern, and, based on that assessment, have expressed an unqualified opinion that the Bank is a going concern for the year ended 31 December 2019.

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, dupe, or other intentional misstatement, misrepresentations, or the override of internal control.

Our concluding opinion expresses our conclusion that the above financial statements are free from material misstatement, whether due to fraud or error, and to issue an unqualified opinion that does not contain a qualification or explanatory matters section.
1. Islamic Banking Window
Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently under such financial reporting standards.

2. Functional and reporting currency
The financial statements of the Bank are presented in Bangladesh Taka (Taka/Tk/BDT) which is the Bank’s functional currency.

3. Use of estimates and judgements
The financial statements have been prepared on the assessment of the Bank’s ability to continue as a going concern. The preparation of financial statements requires management to make judgements, estimates, and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities. Actual results could therefore differ from those estimates.

4. Taxation
In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard loans and advances is collected when due and the Bank has the right, subject to the creditworthiness of the borrower, to receive the instalment of interest in full or in part from the borrower. The Bank does not charge interest on the credit cards.

5. Net defined benefit liability / (asset)
In accordance with BRPD circular no. 14 dated 23 September 2012, the rate of provision on the outstanding amount of loans to doctors and nursing professionals is 2.00% per annum on the outstanding amount of loans.

6. Borrowings from other banks, financial institutions and agents
Borrowings from other banks, financial institutions and agents include both interest-bearing borrowings against assets and unsecured borrowings. The Bank has entered into agreements with Bangladesh Bank and other financial institutions to borrow funds to meet its liquidity requirements. The Bank also obtains funds through the issuance of bonds and sukuk.

7. Employees’ benefits
The Bank provides employees’ benefits, which is an obligation for the future. Employees’ benefits are obligations to provide a benefit (for example, a pension) to current or former employees as a result of a current or past transaction or event. The financial statements of the Bank have been prepared using the accrual basis of accounting. Employees’ benefits are recorded in the financial statements of the Bank when the economic benefit has been provided. The terms and conditions of the arrangements under which the obligations are provided influence the determination of the recognition and measurement of the obligations.

8. Off-balance sheet items
The table below classifies off-balance sheet items into two categories namely (i) credit cards and (ii) other.

9. Foreign currency translation
The financial statements of the Bank have been prepared using the Bangladeshi Taka (Taka/Tk/BDT) which is the Bank’s functional currency. The foreign currency transactions are translated into the Bank’s functional currency at the exchange rates prevailing on the dates when the transactions occurred. The amounts of exchange gains or losses on the foreign currency transactions are included in the reported results of the Bank. The foreign currency transactions are classified as operating or investing activities depending on the nature of the transaction.

10. Dividend
The Bank has no obligations under the Companies Act 1991 and Bangladesh Bank (BB) guidelines to declare dividends.

11. Accounting policies
The following table provides information regarding the use of accounting policies.

12. Non-current assets
Non-current assets include property, plant, and equipment that are held for use in the production of goods or services or for rental to others. Property, plant, and equipment are recorded at cost and reviewed for impairment at least annually. The cost of the acquisition of property, plant, and equipment includes all costs and duties directly attributable to the acquisition, including internal labour expenses.

13. General provision on: Loans and advances
All balances of all branches (including Offshore Banking Unit (OBU) branch and Islamic Banking Window (Saadiq)) are unclassified.

14. Interest on balances due
Interest on balances due includes interest on balances due to customers and balances due from customers.

15. Subsequent events
The Bank has reviewed all events that could affect the presentation of the Bank’s financial statements as at the date of the financial statements.

Provisions are recognised when the obligation meets the definition of an asset and the amount of the obligation can be measured reliably. The amount of the provision is measured as the present value of all expected future outflows of economic benefits required to settle that liability.

17. Net profit
The Bank’s net profit for the financial year ended 31 December 2019 was Tk. 0.00 million.

18. Financial statements
The Bank has made changes to a number of items in the financial statements presented in this report. The Bank has designed these changes in accordance with the requirements of BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 23 September 2012, and BRPD circular no. 04 dated 16 May 2019.

19. Provisions for future events
The Bank has made changes to a number of items in the financial statements presented in this report. The Bank has designed these changes in accordance with the requirements of BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 23 September 2012, and BRPD circular no. 04 dated 16 May 2019.

20. Foreign currency translation
The Bank’s financial statements are translated into Taka/Tk/BDT at the rate prevailing at the year end. Certain foreign currency transactions are translated into Taka/Tk/BDT at the rate prevailing on the date of the transaction.

21. Borrowings from other banks, financial institutions and agents
Borrowings from other banks, financial institutions and agents include both interest-bearing borrowings against assets and unsecured borrowings. The Bank has entered into agreements with Bangladesh Bank and other financial institutions to borrow funds to meet its liquidity requirements. The Bank also obtains funds through the issuance of bonds and sukuk.

22. Off-balance sheet items
The Bank has classified off-balance sheet items into two categories namely (i) credit cards and (ii) other.

23. General provision on: Loans and advances
All balances of all branches (including Offshore Banking Unit (OBU) branch and Islamic Banking Window (Saadiq)) are unclassified.

24. Interest on balances due
Interest on balances due includes interest on balances due to customers and balances due from customers.

25. Subsequent events
The Bank has reviewed all events that could affect the presentation of the Bank’s financial statements as at the date of the financial statements.

Provisions are recognised when the obligation meets the definition of an asset and the amount of the obligation can be measured reliably. The amount of the provision is measured as the present value of all expected future outflows of economic benefits required to settle that liability.

27. Net profit
The Bank’s net profit for the financial year ended 31 December 2019 was Tk. 0.00 million.

28. Financial statements
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### Notes to the Financial Statements

#### 1. Operating Results

- **Net Profit after Tax**: 27,497,000,000
- **Revenue from Interest and Services**: 34,879,531,429
- **Interest Income**: 13,267,738,830
- **Non-Interest Income**: 21,611,792,599
- **Interest Expense**: 6,443,519,623
- **Non-Interest Expense**: 4,475,212,976
- **Provision for Loss on Loans and Advances**: 10,380,909,647
- **TAX**: 2,388,696,223
- **Net Profit before Tax**: 25,018,458,004
- **Net Profit after Tax**: 27,497,000,000

#### 2. Financial Position

- **Tota... Capital Adequacy Ratio**: 21.19% (2018: 20.26%) (tier I)
- **Tier II Capital**: 3,667,195,222
- **Total Capital**: 21,611,792,599
- **Total Liabilities and Net Worth**: 25,018,458,004

#### 3. Capital Resources

- **Equity includes**: 1,275,970,610
- **Contributed Surplus and Retained Earnings**: 17,355,912,046
- **Share Capital**: 1,275,970,610
- **Share Premium**: 4,000,000

#### 4. Risk Management

- **Credit Risk**: 10,910,171,000
- **Market Risk**: 13,987,405,400
- **Operational Risk**: 12,407,905,000

#### 5. Key Performance Indicators

- **Return on Average Shareholders’ Equity**: (1.02%)
- **Return on Average Profits after Tax**: (1.02%)

#### 6. Balance at Other Banks and Financial Institutions

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Balance</th>
<th>Year-end Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh Bank</td>
<td>7,517,000,000</td>
<td>8,099,755,000</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

#### 7. Exchange Income

- **Foreign Exchange Income**: 37,297,245,880
- **Foreign Exchange Income from Foreign Currency Transactions**: 5,700,000,000

#### 8. Dividends

- **Dividends declared**: 12,000,000,000
- **Dividends paid**: 10,000,000,000

#### 9. Details of large loans

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Balance</th>
<th>Year-end Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage</td>
<td>12,196,555,066</td>
<td>10,835,232,079</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

#### 10. Details of large investments

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Balance</th>
<th>Year-end Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Bills</td>
<td>35,776,193,792</td>
<td>33,019,136,132</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

#### 11. Details of large customers

<table>
<thead>
<tr>
<th>Customer Name</th>
<th>Balance</th>
<th>Year-end Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonali Bank Ltd</td>
<td>754,758,000</td>
<td>45,754,758</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

#### 12. Key Performance Indicators

- **Return on Average Shareholders’ Equity**: (1.02%)
- **Return on Average Profits after Tax**: (1.02%)

#### 13. General Notes

- **Gross Loan Increase (1Q)**: 13,762,500,000
- **Net Loan Increase (1Q)**: 13,762,500,000
- **Loan Growth Rate**: 10.4%
- **Non-Performing Loan Ratio**: 2.03%

---

### Notes to the Financial Statements

#### 1. Operating Results

- **Net Profit after Tax**: 27,497,000,000
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- **Dividends paid**: 10,000,000,000

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#### 13. General Notes

- **Gross Loan Increase (1Q)**: 13,762,500,000
- **Net Loan Increase (1Q)**: 13,762,500,000
- **Loan Growth Rate**: 10.4%
- **Non-Performing Loan Ratio**: 2.03%
22. Commission, exchange and brokerage income

Commission income

22,584,297,851

Commission income earned for the year

22,584,297,851

23. Taxes and other expenses

Tax on income

3,878,797,240

Tax on income from the bank

3,878,797,240

24. Profit before statutory reserves

5,126,047,084

25. Profit for the year

5,385,548,018

26. Profit attributable to equity shareholders

5,512,010,155

27. Contingent liabilities and commitments

Liabilities of guarantees

2,175,000,000

28. Profit for the year attributable to普通股

4,790,216,342

29. The Bank provides and receives certain banking and financial services to / from entities within the Group. The related parties of the Bank include Standard Chartered (SC) Plc, other group entities, key management personnel and their immediate families. Transactions with the related parties are carried out on a commercial basis and are on substantially the same terms as for comparable transactions with third parties. The Bank’s related parties also include the Group Companies in which the Bank’s穿透型 staff have substantial ownership interests.

30. The Bank makes investments in equity shares in the Group Companies. The investments are recorded at cost, as no substantial influence is expected to be exerted by the Bank over those Group Companies.

31. The Bank uses a group approach in determining the level of capital adequacy and the capital requirements for the Group. This approach includes a distributive calculation of regulatory capital, risk-weighted assets, regulatory capital and surcharge. It includes both a capital charge related to specific risk and an additional capital charge related to the bank’s overall capital requirements. Capital charges are calculated on the basis of a risk-weighted asset approach as determined by the Global Capital Accord of 1988. The Capital Adequacy Framework of the Bank sets out how the Group’s overall capital requirements are derived and how specific risk is assessed.

32. The Bank’s overall capital adequacy ratio is measured by the ratio of Tier 1 capital to risk-weighted assets and is equal to 20%.

33. The Bank’s overall capital adequacy ratio is measured by the ratio of Tier 2 capital to risk-weighted assets and is equal to 20%.

34. The Bank’s overall capital adequacy ratio is measured by the ratio of total capital (Tier 1 and Tier 2) to risk-weighted assets and is equal to 20%.
### Liquidity Statement

**Standard Chartered Bank Bangladesh Branches**

**Liquidity Statement (Asset and Liability Maturity Analysis)** as at 31 December 2019

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Maturity up to 1 month</th>
<th>Maturity up to 3 months</th>
<th>Maturity up to 6 months</th>
<th>Maturity up to 12 months</th>
<th>Maturity up to 5 years</th>
<th>Maturity over 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to customers</td>
<td>7,056,097,143</td>
<td>8,644,033,917</td>
<td>8,743,017,068</td>
<td>6,945,112,709</td>
<td>2,572,480,741</td>
<td>1,747,667,251</td>
<td>39,409,403,307</td>
</tr>
<tr>
<td>Deposits and other demands (excluding interbank)</td>
<td>8,888,074,776</td>
<td>5,860,761,716</td>
<td>1,375,891,760</td>
<td>1,375,891,760</td>
<td>12,253,825,896</td>
<td>12,253,825,896</td>
<td>32,778,311,586</td>
</tr>
</tbody>
</table>

### Financial Highlights 2019

**Standard Chartered Bank Bangladesh Branches**

**Financial Highlights 31 December 2019**

<table>
<thead>
<tr>
<th>Sl. no.</th>
<th>Particulars</th>
<th>31-Dec-19</th>
<th>31-Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capital - loan funded with Bangladesh Bank</td>
<td>Taka 2,361,728,448</td>
<td>Taka 2,379,502,498</td>
</tr>
<tr>
<td>2</td>
<td>Total capital</td>
<td>Taka 8,924,223,682</td>
<td>Taka 8,403,572,779</td>
</tr>
<tr>
<td>3</td>
<td>Capital surplus / deficit</td>
<td>Taka 172,243,688</td>
<td>Taka 172,243,688</td>
</tr>
<tr>
<td>4</td>
<td>Total assets</td>
<td>Taka 36,722,417,248</td>
<td>Taka 35,158,493,565</td>
</tr>
<tr>
<td>5</td>
<td>Total liabilities</td>
<td>Taka 33,439,036,947</td>
<td>Taka 30,579,919,514</td>
</tr>
<tr>
<td>6</td>
<td>Net profit after tax and provisions</td>
<td>Taka 2,551,171,513</td>
<td>Taka 2,370,501,396</td>
</tr>
<tr>
<td>7</td>
<td>Risk weighted assets</td>
<td>Taka 31,681,804,742</td>
<td>Taka 26,844,799,719</td>
</tr>
<tr>
<td>8</td>
<td>Return on assets (ROA)</td>
<td>3.29%</td>
<td>3.71%</td>
</tr>
<tr>
<td>9</td>
<td>Return on equity (ROE)</td>
<td>13.65%</td>
<td>13.65%</td>
</tr>
</tbody>
</table>
Credit risk is the potential for loss due to failure of a counterparty to meet its obligations to pay the mark-to-market value of the underlying instruments, and an additional component to cater for potential parameters.

In place to monitor collateral value and loan covenants. Each counterparty is also required to have an appetite. Policy and procedures are defined to support credit underwriting activities at all levels of the transaction originators in the businesses and approvers in the Risk function. All credit exposure limits in place in accordance with agreed terms.

In place to manage enterprise-wide risks, with the objective of sustainably and is thus a central part of the financial and operational management of the Bank.

Our approach to capital management is driven by our desire to maintain a strong capital base to

In support of the requirements of our stakeholders, in line with our strategy and within our risk appetite

Quantitative Disclosures:

Risk management

Effective risk management is fundamental to being able to generate profits consistently and sustainably and is therefore a core part of the financial and operational management of the Bank.

In support of the requirements of our stakeholders, in line with our strategy and within our risk appetite

Capital Adequacy

Our approach to capital management is driven by our desire to maintain a strong capital base to

In support of the requirements of our stakeholders, in line with our strategy and within our risk appetite

Anticipation:

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

Risk management

Effective risk management is fundamental to being able to generate profits consistently and sustainably and is therefore a core part of the financial and operational management of the Bank.

Industry Distribution of Exposure:

Details of Credit Risk as on 31 December 2019:

Quantitative Disclosures:

Risk management

Effective risk management is fundamental to being able to generate profits consistently and sustainably and is therefore a core part of the financial and operational management of the Bank.

Industry Distribution of Exposure:

Details of Credit Risk as on 31 December 2019:

Quantitative Disclosures:

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Effective risk management is fundamental to being able to generate profits consistently and sustainably and is therefore a core part of the financial and operational management of the Bank.

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Details of Credit Risk as on 31 December 2019:

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Quantitative Disclosures:

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Disclosures on Risk Based Capital (Basel III)

Leverage Ratio

- The leverage ratio measures the capital available to a bank to absorb losses arising from its on- and off-balance sheet activities. It is calculated as the ratio of tier 1 capital to total on and off-balance sheet exposures.
- A higher leverage ratio indicates a lower risk profile and vice versa.
- The leverage ratio is an important indicator of a bank's capital adequacy and risk management practices.

Operational Risk

- Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. It encompasses a wide range of risks such as fraud, customer and counterparty loss, data integrity, and operational failures.
- Operational risk can have a significant impact on a bank's performance and capital adequacy.
- Banks are required to measure and manage operational risk to ensure they have sufficient capital to absorb potential losses.

Market Risk

- Market risk refers to the risk of loss arising from adverse movements in market rates, prices, and foreign exchange rates.
- Market risk can arise from a bank's activities in trading, investment, and lending, among other things.
- Banks are required to measure and manage market risk to ensure they have sufficient capital to absorb potential losses.

Credit Risk

- Credit risk refers to the risk of loss arising from a borrower's failure to meet their obligations to repay a loan or other financial instrument.
- Credit risk can arise from a bank's activities in lending, underwriting, and managing a borrower's credit exposure.
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f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for

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

(ii) A discussion of the use of the different forms of variable remuneration and, if the mix of different

Deferred variable remuneration is typically delivered 50% in shares and 50% in cash.

Deferred shares are subject to a minimum 12 months post-vest retention period for Senior Managers

Upfront shares are subject to a minimum 12 months post-vest retention period.

Clawbacks or similar reversals or downward

Performance units) and explicit adjustments (e.g. fluctuations in the value of shares or

explicit and/or implicit adjustments.

Clawback percentage is 25% of the value of all deferred remuneration paid out in

Repurchase of all or any part of the deferred remuneration or any component of deferred remuneration.

Other liabilities

Total liabilities

Total equity

Net surplus or deficit

Total balance sheet items

Profit and Loss Account

Cash Flow Statement
In accordance with the Companies Act, 1994, the Banking Companies Act, 1991 and the rules and regulations issued by Bangladesh Bank, the financial statements have been prepared in conformity with prevailing rules, regulations and accounting standards as well as banking instructions of Bangladesh Bank.

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

The financial statements of the Bank have been prepared in accordance with the "First Schedule (sec-38)" of The Bank Companies Act 1991 and the "First Schedule" (section 38) of The Banking Companies (Amendment) Act 2008 and other Bangladesh Bank circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in accordance with the requirements of Bangladesh Bank, the Bangladesh Financial Reporting Standards Board (BFBSB) and the Bangladesh Institute of Chartered Accountants (BICA).

The statements of the Bank are prepared on a historical cost basis and the bank follows IAS and IFRS for preparing its financial statements, since 2015. The financial statements are prepared in accordance with the requirements of Bangladesh Bank and Material departures from the requirements of IAS and IFRS are as follows:

1. Theuffling of cash and non-cash items in the profit and loss account and statement of changes in equity.
2. The statement of changes in equity is presented as part of the financial statements and as part of cash flow statement.
3. Revenue from the sale of goods and services is recognized in the profit and loss account when the consideration for the goods and services has been received or receivable and the economic benefits associated with the transfer of the goods and services have been transferred to the customer.

\[ \text{Profit/(loss) before tax} = \text{Profit/(loss) before provision} - \text{Postage, stamps and telecommunication etc.} \]

\[ \text{Net profit after tax} = \text{Profit/(loss) before tax} - \text{Expense on taxation} \]

The difference between selling price and repurchase price will be treated as interest expense. Same rule is not made in the financial statements.

\[ \text{Interest on HFT securities including amortisation of discount} \]

Notes:

1. The Bank and its activities
2. The structure of the Bank
3. Statement of cash flows and bank performance
4. Capital and reserves
5. Risk and capital base
6. Financial ratios
7. Business risk
8. Financial instruments - presentation and disclosure
9. Description of the regulatory framework

\[ \text{Balance Sheet Standard Chartered Bank} \]

\[ \text{Cash Flow Statement Standard Chartered Bank} \]

\[ \text{Statement of Changes in Equity Standard Chartered Bank} \]

\[ \text{Notes to the Financial Statements Standard Chartered Bank} \]

\[ \text{Independent Auditor's Report Standard Chartered Bank} \]

\[ \text{Profit and Loss Account Standard Chartered Bank} \]

\[ \text{Statement as at 31 December 2019 Standard Chartered Bank} \]

\[ \text{Profit as at the year ended 31 December 2019 Standard Chartered Bank} \]

\[ \text{As at 31 March 2020 Standard Chartered Bank} \]

\[ \text{As at and for the year ended 31 December 2019 Standard Chartered Bank} \]
3.3.2 Fixed assets, other than land, are measured at cost less accumulated depreciation and impairment.

2.9.1.2 Fixed assets including premises, furniture and fixtures

In accordance with the requirements of the aforementioned circulars, amortised discount or premium on HTM bank’s investments in unquoted shares are recorded at cost.

The financial statements of the Bank have been prepared on historical cost basis except for the following:

2.9.3.4 Commission and fee income

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying IFRS 17 are included in the Notes to the Financial Statements. The Bank is not aware of any potential impact on its financial position or results of operations arising from the application of IFRS 17 as at the date of these financial statements.

5.1 Cash Reserve Ratio (CRR) and Liquidity Ratio

12,430,116,465 13,677,002,609

Dhaka division 12,430,116,465 13,677,002,609

5.2 Cash Reserve Ratio

Required reserve 964,008,672 926,802,401

Repayable on demand 429,279,129 387,637,771

Bases on which the Bank’s financial statements have been prepared:

2.9.4.5 Other income

As per IFRS there is no requirement for disclosure of off-balance sheet items on the face of the financial statements. However, information about off-balance sheet items is disclosed as part of the notes to the financial statements.

8.4 Investment in Tax Incentive Securities

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

8.3 New accounting standards

9.7 Capital ratios

27.00% 27.00%

25.00% 25.00%

30.00% 30.00%

25.00% 25.00%

12.00% 12.00%

2.70% 2.70%

1.00% 1.00%

1.25% 1.25%

2.90% 2.90%

1.50% 1.50%

2.00% 2.00%

1.00% 1.00%

3.00% 3.00%

5.00% 5.00%

30.00% 30.00%

1.50% 1.50%

1.00% 1.00%

2.50% 2.50%

2.00% 2.00%
1.12 Analysis of deposits and other accounts

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposits</td>
<td>72,218,000,000</td>
<td>92,682,000,000</td>
</tr>
<tr>
<td>Less: deposits with the Bank</td>
<td>55,283,000,000</td>
<td>61,817,000,000</td>
</tr>
<tr>
<td>Non-bank deposits</td>
<td>16,935,000,000</td>
<td>30,865,000,000</td>
</tr>
<tr>
<td>Total deposits</td>
<td>89,153,000,000</td>
<td>123,547,000,000</td>
</tr>
<tr>
<td>Non-bank deposits</td>
<td>16,935,000,000</td>
<td>30,865,000,000</td>
</tr>
<tr>
<td>Total deposits</td>
<td>106,088,000,000</td>
<td>154,412,000,000</td>
</tr>
<tr>
<td>Total deposits</td>
<td>106,088,000,000</td>
<td>154,412,000,000</td>
</tr>
</tbody>
</table>

12.2 Bad debts

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount written off during the year</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
<tr>
<td>Amount written off during the year</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
</tbody>
</table>

13. Profit and loss

13.1 Profit and loss for the year

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit from banking activities</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
<tr>
<td>Profit from banking activities</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>32,567,000,000</td>
<td>24,000,000,000</td>
</tr>
</tbody>
</table>

14. Other operating expenses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel and transportation</td>
<td>5,757,000,000</td>
<td>7,516,000,000</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>5,757,000,000</td>
<td>7,516,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>5,757,000,000</td>
<td>7,516,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>5,757,000,000</td>
<td>7,516,000,000</td>
</tr>
</tbody>
</table>

15. Share capital and reserves

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>200,000,000,000</td>
<td>200,000,000,000</td>
</tr>
<tr>
<td>Share capital</td>
<td>200,000,000,000</td>
<td>200,000,000,000</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>200,000,000,000</td>
<td>200,000,000,000</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>200,000,000,000</td>
<td>200,000,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>400,000,000,000</td>
<td>400,000,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>400,000,000,000</td>
<td>400,000,000,000</td>
</tr>
</tbody>
</table>

16. Capital adequacy

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory capital adequacy ratio</td>
<td>15.7</td>
<td>16.0</td>
</tr>
<tr>
<td>Regulatory capital adequacy ratio</td>
<td>15.7</td>
<td>16.0</td>
</tr>
</tbody>
</table>

Schedule of Fixed Assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total provision</td>
<td>45,984,000,000</td>
<td>45,984,000,000</td>
</tr>
<tr>
<td>Total provision</td>
<td>45,984,000,000</td>
<td>45,984,000,000</td>
</tr>
</tbody>
</table>

Liquidity Statement

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net liquidity difference</td>
<td>(4,531,692,253)</td>
<td>(5,163,880,016)</td>
</tr>
<tr>
<td>Net liquidity difference</td>
<td>(4,531,692,253)</td>
<td>(5,163,880,016)</td>
</tr>
</tbody>
</table>