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**AUDITOR'S REPORT
TO THE MANAGEMENT OF STATE BANK OF INDIA
BANGLADESH OPERATION**

We have audited the accompanying financial statements of State Bank of India, Bangladesh operation ("the Bank"), which comprise the Balance Sheet as at December 31, 2015, and the Profit and Loss account, Statement of Changes in Equity, Cash Flows Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards as explained in note 2.0 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.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Bank.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.0.

Handwritten signature

Howladar Yunus & Co.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Companies Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control and risk management arrangements of the Bank [as disclosed in note 2.13 & 2.24 of the financial statements] appeared to be materially adequate;
 - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities and accordingly in note # 2.14 of these financial statements.
- c) 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;
- d) the Balance Sheet and Profit and Loss account of the bank dealt with by the report are in agreement with the books of account;
- e) the expenditure incurred was for the purposes of the Bank's operations;
- f) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- g) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- h) the records and statements submitted by the branches have been properly maintained in the financial statements;
- i) the information and explanations required by us have been received and found satisfactory; and
- j) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3040 person hours for the audit of the books and accounts of the Bank.


Chartered Accountants

Dated: Dhaka, March 14, 2016

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Balance Sheet
As at December 31, 2015

	Notes	Amount in Taka	
		2015	2014
PROPERTY AND ASSETS			
Cash	03	537,300,701	686,337,297
Cash in hand (Including foreign currency)		33,878,228	32,090,352
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		503,422,473	654,246,945
Balance with other banks and financial institutions	04	365,256,177	245,134,875
Inside Bangladesh		28,755,594	13,645,219
Outside Bangladesh		336,500,583	231,489,656
Money at call and short notice	05	1,810,000,000	1,390,000,000
Investments	06	8,295,526,431	7,786,438,442
Government		8,292,387,541	7,783,299,552
Others		3,138,890	3,138,890
Loans and advances	07	10,202,895,793	8,899,272,434
Loans, cash credit, overdrafts etc.		4,766,420,918	8,829,864,854
Bills purchased & discounted		5,436,474,875	69,407,580
Fixed assets including premises, furniture and fixtures	08	84,231,987	71,926,740
Other assets	09	956,223,934	381,047,201
Non-banking assets	10	-	-
Total property and assets		22,251,435,023	19,460,156,989
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	5,728,327,960	4,255,354,493
Deposit and other accounts	12	7,040,175,836	6,445,537,551
Current & other accounts		2,107,961,121	1,557,656,800
Saving deposits		464,115,751	454,108,015
Fixed deposits		3,815,822,651	3,815,388,433
Other deposits		652,276,313	618,384,304
Other liabilities	13	1,382,602,232	1,480,802,476
Total liabilities		14,151,106,028	12,181,694,521
Capital and shareholders' equity			
Fund deposited with Bangladesh Bank	14	7,213,626,369	6,462,789,044
Surplus in profit and loss account/ Retained earnings	15	808,672,795	773,449,677
Other reserve	16	78,029,831	42,223,747
Total shareholders' equity		8,100,328,995	7,278,462,468
Total liabilities and shareholders' equity		22,251,435,023	19,460,156,989

The accompanying notes form an integral part of these financial statements

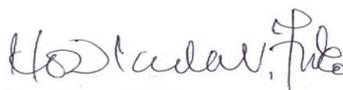


Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

Notes	Amount in Taka	
	2015	2014

Off-Balance Sheet Items

Contingent Liabilities

Acceptances and endorsements	-	-
Letter of guarantees	19,595,943,443	16,635,218,015
Irrevocable letter of credits	1,076,586,029	808,271,699
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	20,672,529,472	17,443,489,714

Other commitments

Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other	-	-
Commitments- lease hold assets	-	-
Total other commitments	-	-

Total Off-Balance Sheet items including contingent liabilities

20,672,529,472	17,443,489,714
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The accompanying notes form an integral part of this balance sheet.



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Profit and Loss Account
For the year ended December 31, 2015

	Notes	Amount in Taka	
		2015	2014
Operating Income			
Interest income	18.1	912,647,679	907,742,018
Interest paid on deposits and borrowing etc.	19	443,728,722	531,474,794
Net interest income		468,918,958	376,267,224
Investment income	20	538,532,052	666,122,315
Commission, exchange and brokerage	21	702,763,652	495,305,905
Other operating income	22	2,781,433	1,594,245
		1,244,077,137	1,163,022,465
Total operating income		1,712,996,095	1,539,289,690
Salaries and allowances	23	107,747,840	67,031,774
Rent, taxes, insurance, electricity etc.	24	72,071,327	69,581,689
Legal expenses		2,835,445	2,195,614
Postage, stamps, telecommunication etc.	25	4,233,627	4,557,142
Stationery, printing, advertisement etc.	26	8,719,552	4,806,967
Chief Executive's salary & fees		-	-
Directors' fees & expenses		-	-
Auditors' fee	27	345,000	500,000
Charges on loan losses		-	-
Depreciation and repairs to bank's assets	28	22,900,391	21,662,602
Other expenses	29	124,272,222	80,542,332
Total operating expenses		343,125,404	250,878,120
Profit/(loss) before provisions		1,369,870,691	1,288,411,570
Provision for	30		
Loans and advances		25,425,343	144,083,366
Provision for diminution in value of investments		-	-
Off-balance sheet items		32,394,721	99,272,488
Off-shore Banking Unit		8,926,545	8,973,926
Total provision		66,746,609	252,329,780
Profit/(loss) before taxes		1,303,124,081	1,036,081,790
Provision for Tax			
Current tax expense	13.5	385,000,000	488,309,032
Deferred tax expense/ (income)	13.6	1,183,981	758,981
		386,183,981	489,068,013
Total profit/(loss) after taxes		916,940,101	547,013,778
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividend		-	-
Retained earnings		916,940,101	547,013,778

The accompanying notes form an integral part of this profit and loss account.

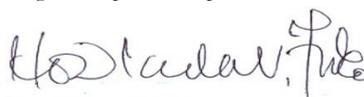


Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

State Bank of India
Bangladesh Operation
Domestic Banking Unit
Cash Flow Statement
For the year ended December 31, 2015

	Amount in Taka	
	2015	2014
A. Cash flows from operating activities		
Interest receipts	1,732,532,109	1,485,448,836
Interest payment	(524,678,281)	(567,332,309)
Dividend received	2,855,903	2,855,903
Fees & commissions receipts	651,416,742	447,758,302
Received from loan write off recovery	-	-
Cash payments to employees	(101,669,841)	(64,902,724)
Cash payments to suppliers	-	-
Income tax paid	(432,101,311)	(302,071,675)
Receipts from other operating activities	1,117,676	1,611,131
Payment for other operating activities	(211,293,191)	(166,617,105)
Operating profit/(loss) before changes in operating assets & liabilities	1,118,179,806	836,750,358
Increase/decrease in operating assets & liabilities		
Loans & advances to customers	(1,012,529,199)	(496,700,095)
Other assets	(295,734,887)	(275,850,049)
Deposits from other Banks	1,005,951,322	604,836,138
Deposits from customers	594,406,037	161,474,315
Other liabilities	(546,080,459)	(426,954,891)
Cash utilised in operating assets & liabilities	(253,987,185)	(433,194,582)
Net cash from operating activities	864,192,620	403,555,776
B. Cash flows from investing activities		
Payments for purchase of securities	(512,304,178)	(411,777,514)
Investment in prize bond	77,300	301,800
Purchase/sale of property, plant & equipment	(12,305,247)	(9,970,185)
Net cash used in investing activities	(524,532,125)	(421,445,898)
C. Cash flows from financing activities		
Receipts from the capitalization	-	-
Net cash flows from financing activities	-	-
Net increase/decrease in cash	339,660,495	(17,890,123)
Effects of exchange rate changes on cash & cash equivalent	51,346,910	47,547,603
Cash and cash equivalents at the beginning of year	2,322,463,773	2,292,806,292
Cash and cash equivalents at the end of year (Note-17.4)	2,713,471,178	2,322,463,773

The accompanying notes form an integral part of this profit and loss account.



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit

Statement of Changes in Equity
For the year ended 31 December 2014

(Figures in Taka)

Particulars	Fund deposited with Bangladesh Bank	Other Reserve	Surplus in Profit & Loss Account	Total
Balance as of 01 January 2015	6,462,789,045	42,223,747	773,449,678	7,278,462,470
Net profit for the year (OBU)	-	-	268,129,818	268,129,818
Net profit for the year (DBU)	-	-	648,810,282	648,810,282
Amortisation gain on HTM Securities transferred to P&L	-	(42,223,747)	-	(42,223,747)
Amortization gain on HTM Securities	-	78,029,830	-	78,029,830
Fund utilised which were kept as Capital	1,067,215,719	-	(1,067,215,719)	-
Fund released as Capital	(316,378,395)	-	-	(316,378,395)
Excess Provision for Income Tax written back	-	-	62,424,557	62,424,557
OBU profit for the year 2013 has since been taken as capital as per Group instruction	-	-	123,074,180	123,074,180
Balance as of 31 December 2015	7,213,626,370	78,029,830	808,672,796	8,100,328,996
Balance as of 01 January 2014	4,556,354,049	82,406,044	2,136,779,546	6,775,539,639
Net profit for the year (OBU)	-	-	110,402,563	110,402,563
Net profit for the year (DBU)	-	-	434,060,213	434,060,213
Fund released which were kept as Capital	-	-	-	-
Adjustment in respect of previous year profit of OBU	-	-	-	-
Amortisation gain on HTM Securities transferred to P&L	-	(82,406,044)	-	(82,406,044)
Amortization gain on HTM Securities	-	42,223,747	-	42,223,747
Fund utilised as Capital	-	-	(1,357,648)	(1,357,648)
Fund released as Capital	1,906,434,996	-	(1,906,434,996)	-
Balance as of 31 December 2014	6,462,789,045	42,223,747	773,449,678	7,278,462,469



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
As at December 31, 2015

(Figures in Taka)

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand	33,878,228	-	-	-	-	33,878,228
Balance with Bangladesh Bank	503,422,473	-	-	-	-	503,422,473
Balance with other bank, Other Banks and financial Institutions (Including foreign currencies)	365,256,177	-	-	-	-	365,256,177
Money at call and on short notice	1,810,000,000	-	-	-	-	1,810,000,000
Investments	914,300	3,401,323,932	1,894,678,385	520,278,471	2,478,331,343	8,295,526,431
Loans and advances	332,719,492	1,355,069,429	6,254,903,760	1,011,379,564	1,248,823,549	10,202,895,793
Fixed assets including premises, furniture & fixtures	-	-	-	-	84,231,987	84,231,987
Other assets	-	-	-	-	956,223,934	956,223,934
Non-banking assets	-	-	-	-	-	-
Total Assets	3,046,190,669	4,756,393,361	8,149,582,145	1,531,658,035	4,767,610,812	22,251,435,022
LIABILITIES						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	-	5,728,327,960	-	-	-	5,728,327,960
Deposits & other accounts	2,110,640,088	1,277,872,271	685,054,308	951,056,087	2,015,553,082	7,040,175,836
Provision & Other Liabilities	-	156,160,780	301,530,941	517,482,673	8,507,756,830	9,482,931,225
Total liabilities	2,110,640,088	7,162,361,011	986,585,249	1,468,538,761	10,523,309,912	22,251,435,022
Amount of net liquidity difference	935,550,581	(2,405,967,651)	7,162,996,896	63,119,274	(5,755,699,100)	0

Net result of the Liquidity Statement represents the 'Shareholders Equity' of the Bank.



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Notes to Financial Statements
For the year ended December 31, 2015

1. Corporate information

The State Bank of India incorporated in India under the State Bank of India Act 1955. State Bank of India has been operating in Bangladesh since 05 May 1975. It operates its activities through six branches – Two in Dhaka, one in Chittagong, one in Sylhet, one in Rajshahi and in Khulna. Apart from these branches, the bank has two OBU units; one in Dhaka and another in Chittagong.

1.2 Principal activities

The principal activities carried out by the bank include all kinds of commercial banking activities / services to its customers through its branches and electronic delivery channels in Bangladesh. The bank is a foreign bank as per Income Tax Ordinance 1984.

1.3 Capital structure of the Bank

SBI maintained capital in the form of deposit and lien of securities with Bangladesh Bank under section 13(3) of the Bank Company Act, 1991 and presented under the guidelines of BRPD circular No. 14 dated 25 June 2003.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements, namely, Balance Sheet, Profit & Loss Accounts, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosure thereto, are prepared on a going concern basis under historical cost conversion, and in accordance with First Schedule of the Bank Company Act 1991, as amended BRPD circular no. 14 of 25 June 2003.

2.2 Basis of consolidation

A separate set of records for consolidating the Balance Sheet and Profit and Loss Accounts of the branches are maintained at the Country Office of the Bank based on which these financial statements have been prepared.

2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision or future periods, if the revision affects both current and future periods.

2.4 Foreign currency transactions

i. Functional and presentational currency

Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentation currency.

ii. Foreign currency transaction

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per BAS-21 "The effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies at 31 December 2015 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004. Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/ crediting exchange gain or loss account.

2.5 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.5.1 Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Profit and Loss Statement because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of Balance Sheet.

Provision for current income tax has been made @ 42.5% on accounting profit made by the Bank after considering some of the add backs of income and disallowances of expenditure as per Income Tax Ordinance 1984.

2.5.2 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the date of Balance Sheet. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the Profit and Loss Accounts as per BAS 12 "Income Taxes".

2.6 Assets and basis of their valuation

2.6.1 Cash and cash equivalents

Cash and cash equivalents include currency notes and coins on hand, balances held with Bangladesh Bank and most liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank to meet its short term obligations.

2.6.2 Investments

All investments securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accreted, using the effective yield method and are taken to discount income. The valuation method of Marking to Market for investments used are:

2.6.2.1 Held to maturity (HTM)

Investments which have "fixed or determinable payments" and fixed maturity that the group has the positive intent and ability to held to maturity, other than those that meet the definition of 'Held at amortized cost others' are classified as held to maturity. These investment are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium in acquisition. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired as per IAS -39 " Financial Instruments : Recognition and Measurement"

Value of Investments has been shown as under:

Investment Class	Initial Recognition	Subsequent Measurement	Recording of changes
Treasury Bills (HTM)	Cost	Amortized cost	Increased or decreased in value to equity.
Treasury Bonds (HTM)	Cost	Cost / Amortized Cost	No amortization for at per Investment / Amortized Gain to Revaluation reserve/ Loss to P&L (in case of Discount or Premium)
Prize Bond & Other Bond	Cost	None	None
Unquoted Shares (ordinary)	Cost	Cost	None

2.6.2 Loans and advances

- Interest on loans and advances is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per directives of Bangladesh Bank and such interest is not accounted for as income until realized from borrowers.
- Interest is not charged on bad and doubtful loans and advances from the date of filing money suits against the borrowers.
- Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BCD circular nos. 34 of 16 November 1989, 20 of 27 December 1994 and 12 of 04 September 1995 and BRPD circular nos. 16 of 06 December 1998, 9 of 14 May 2001, 2 of 15 February 2005, 9 of 20 August 2005, 17 of 6 December 2005, 5 of 5 April 2008, 07 of 14 June 2012, 14 of 23 September 2012, 19 of 27 December 2012 and 5 of 29 May 2013 respectively at the following rates:

(i) <u>General provision on unclassified loans and advances</u>	<u>Rate (%)</u>
Standard general loans and advances	1%
Standard Small & Medium enterprise Financing	0.25%
Standard loans to Merchant Banking/BHs/SDs	2%
Standard Housing Finance and loans for professional to set up a	2%
Standard Consumers loan Scheme other than HF and LP	5%
Standard Short term Agri and Micro credit	5%
Special Mention Account general Loans and advances	1%
Special mention account Small & Medium enterprise Financing	0.25%
Special mention account loans to BHs/MBs/Sds	2%
Special mention account HF and LP	2%
Special mention account Consumer's loan scheme other than HF &LP	5%
(ii) <u>Specific provision on classified loans and advances</u>	
Substandard (Agri & Micro credit)	5%
Doubtful (Agri & Micro credit)	5%
Substandard	20%
Doubtful	50%
Bad or Loss	100%
(d) Loans and advances are written off to the extent that there is no realistic prospect of recovery, and against which legal cases are pending for more than five years as per guidelines of Bangladesh Bank subject to getting approval from Corporate Centre Mumbai. These write offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.	

2.6.3 Fixed assets and depreciation

a) Recognition

The cost of an item of furniture, fixture and equipments (Fixed assets) shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Furniture, fixture and equipments have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

b) Depreciation

- (i) Depreciable assets are stated at cost less accumulated depreciation.
- (ii) Depreciation has been charged on reducing balance method at the following rates. Depreciation is charged for full year while assets are purchased within first six month of the year and 50% depreciation is charged in case assets. are purchased during the next six months of the year.
- (iii) No depreciation has been charged during the year of disposal.

<u>Category of assets</u>	<u>Depreciation Rate</u>
Furniture & fixture	10%
Office equipment	25%
Computer	25%

c) Sale of fixed assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of BAS 16 Property plant & equipments.

d) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognised as an expenses in the income statement.

e) Others

Useful life and method of depreciation of property plant & equipment are reviewed periodically. As useful lives of assets do not differ significantly from that previously estimated, Bank Management does not consider to revalue its assets by the meantime.

2.6.4 Other Assets

Other assets include all other financial assets and include interest, fees and other unrealised income receivable, Prepaid interest expenses on fixed deposits, advance for operating and capital expenditure, security deposits and stocks of stationery & stamps etc. Provision for other assets is made as per BRPD circular no. 14 of 25 June 2001.

2.7 Retirement benefits to the employees

a) Provident fund

The Bank operates a contributory provident fund for its eligible employees. The Commissioner of Income Taxes, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of Part B of the First Schedule of Income Tax Ordinance 1984. The Fund is administered by a Board of Trustees consisting 3 (three) members and funded by contributions both from employees and Bank @10% of basic salary. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

b) Gratuity

The bank has a gratuity scheme, which covers all of its permanent employees. The gratuity would be payable equivalent to 02 month's last drawn basic salary for each completed year of service to the employees who have been in the service of the Bank for minimum period of 12 years in the Bank (maximum ceiling Tk. 30.00 lac). The company made provision for gratuity during the year as Bangladesh Accounting Standard.

2.8 Revenue recognition

The revenue during the year is recognized as follows which satisfy all conditions of revenue recognition as prescribed by BAS 18 "Revenue".

- (i) Interest is calculated on daily product basis on unclassified loan and advances but charged on a quarterly basis.
- (ii) Interest is charged on classified loans and advances as per Bangladesh Bank's BRPD circular no. 16 of 06 December 1998 and other related circulars and such interest is not taken into income.
- (iii) Dividend income is recognized at the time when right to receive is established.
- (iv) Commission and discount on bills purchased and discounted are recognized at the time of realization.

2.9 Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" under direct method as per guidelines of BRPD circular no. 14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the financial year. It reported cash flows during the period classified by operating activities, investing activities and financing activities.

2.10 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity period of the value of the assets and liabilities as on the reporting date as per the guidelines provided by Bangladesh Bank in BRPD Circular No 14 of 25 June 2003, DOS Circular No 02 of 29 March 2011.

2.11 Statement of changes in equity

Statement of changes in equity is prepared in accordance with BAS-1" Presentation of Financial Statements" and under the guidelines of BRPD circular no.14 dated 25 June 2003.

2.12 Reconciliation of books of account

Books of account in regard to inter bank (inside Bangladesh and outside Bangladesh) and inter branch transactions are being regularly reconciled. The Bank however, formed a task force to take positive steps to eliminate the long outstanding inter branch entries within the shortest period of time.

2.13 Risk Management

The risk of the Bank may be defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 06 core risks i.e. Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk (Balance Sheet Risk), Foreign Exchange Risk and Information Technology Risk. Moreover, Operational Risk, Market Risk, Liquidity Risk, Residual Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. Success or failure of the Bank depends to a great extent on proper identification and minimization of these risks. The prime objective of the risk management is that Bank takes well calculative business risks while safeguarding the Bank's capital, its financial resources and profitability from various risk areas. A separate Risk Management Unit (RMD) has been formed headed by one India Based Officer where all the Chief Executive Officer & Division Heads of Head Office are the members and the Division Head (AVP- R&C), Internal Control & Compliance Division is the member secretary. The Committee is responsible to our Honorable Country Head for compliance and implementation of the decisions. Monthly meeting of Risk Management Department is arranged on regular basis where different risks are discussed and decisions are gradually implemented. Minutes of Risk Management Department meeting along with risk management papers are submitted to Bangladesh Bank on quarterly basis. Yearly Health Report is placed before the Management in which analytical & exhaustive information are highlighted. Yearly summary report on the audit findings are also placed before the Audit committee of the Local Management mentioning & highlighting different incidences and the decisions are implemented by the Bank. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Basel-II accord. Under the second pillar of Basel-II, a Supervisory Review Process (SRP) team has been formed comprising Honorable Chief Executive Officer (Dhaka Branch), Vice President (Operations), Accounts Division, Division Head, Audit Division, Division Head, Credit Administration, Monitoring & Recovery Division, Division Head, International Division and Division Head, Credit Division-I to review, monitor and maintain adequate capital considering all relevant risks. Stress Testing is done on quarterly basis to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital and the report is submitted before the Local Management and to Bangladesh Bank regularly.

As per BRPD Circular no. 11 dated 27 October 2013, a Risk Management Committee of the Board has been formed and the Committee has already started its operation.

a) Credit Risk Management

Credit risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Credit risk, therefore, arises from the bank's dealing with or lending to corporate, individuals, other banks or financial institutions. A separate Credit Division has been formed at Head Office since the inception of the bank, which is assigned with the duties of marketing and assessment of credit products, maintaining effective relationship with the customer and exploring new business opportunities. In line with Bangladesh Bank guidelines the bank has segregated marketing, approval and monitoring/recovery functions.

The credit risk management includes borrower risk analysis, financial statement analysis, industrial analysis, historical performance of the customer, security of the proposed credit facility and market reputation of the borrower etc. SBI takes its lending decision based on the credit risk assessment report by Appraisal Team. In determining Single Borrowing/Large Loan limit, the instructions of Bangladesh Bank are strictly followed.

b) Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the potential change in earnings arising from the change in market prices. The market directly affects each country's bond, equities, private property, manufacturing and all assets that are available to foreign investors. Foreign exchange rates also play a major role in determining whom finances government deficits, which buy equities in companies and literally affects and influences the economic scenario. Due to high risk market the role of treasury operations is crucial.

As per Bangladesh Bank's guidelines the bank has segregated the Front and Back office for Treasury Operations. Front Office independently conducts the transactions and the Back Office is responsible for verification of the deals and passing of their entries in books of accounts. All Nostro accounts are reconciled on monthly basis and all foreign exchange transactions are revalued at Marked-to-Market rate as determined by Bangladesh Bank.

c) Asset Liability Management

Assets Liability Management is the most important aspect for the Financial Institution to manage Balance Sheet Risk, especially for managing of liquidity risk and interest rate risk. Change in Market Liquidity and interest rate expose bank business to the risk of loss. Failure to identify the risks associated with business and failure to take timely measures in giving a sense of direction may threaten the survival of institution.

As such, it is important that senior management must understand the existence of such risk on the balance sheet and they should ensure that the structure of the banks business and the level of balance sheet risk it assumes are effectively managed and appropriate policies and procedures are established to control and limit these risks, and that resources are available for evaluating and controlling interest rate risk. To address all the risk elements of the balance sheet ALCO meeting was conducted every month in 2010, ATM desk of the bank analyses the balance sheet risk and prepares the monthly ALCO papers as per the guidelines of Bangladesh Bank. By strongly monitoring the maturity gap of assets and Liabilities and interest rate movement, bank is able to maintain optimum liquidity with required regulatory compliances. A policy Guideline on Assets Liability Management has been formulated, approved by appropriate authority of the bank and revised time to time.

d) Prevention of Money Laundering

Money laundering has been identified as a major threat to the financial services community, It is important that the management of Banks and other Financial Institutions view prevention of money laundering as part of their risk management strategies and not simply as a stand-alone requirement that is being imposed by the legislation. The management of SBI is fully aware that the financial system shall not be and cannot be used as a channel for criminal activities. Therefore, co-ordination and co-operation between the concerned parties are essential for its success. The bank has designated Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office and compliance officers at branches to review the transactions of the accounts to identify suspicious transaction Profile (TP) has been incorporated in the Account Opening Form (AOF) along with other KYC related issues.

As per the guidelines; Account Opening Form of our Bank has been redesigned with provision for obtaining particulars of personal identity of customer and transaction profile. The bank has also undertaken enhanced due diligence in case of opening of accounts of Politically Exposed Persons (PEP) as per directive of Bangladesh Bank which is in line with recommendation of Financial Action Task Force of U.N. Anti Money Laundering units have been set up in all the branches under a central unit at Head Office. Basic training has been imparted to all the officers of the Bank on compliance with rules and regulations of Money Laundering Act so as to prevent opening of suspicious accounts and identify suspicious transactions.

e) Internal Control and Compliance

Internal Control and Compliance (ICC) is a critical component of Bank management and foundation for the safe and sound operation of banking organization. A system of strong internal control and compliance can help to ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long-term profitability targets, and maintain reliable financial and managerial reporting. Operational loss may arise from error and fraud due to lack of strong internal control and compliance culture. Effective Internal Control & Compliance system can help to ensure that the bank will comply with laws and regulations as well policies, plans, internal rules and procedures, and decrease the risk of unexpected losses or damage to the bank's reputation.

Internal Control & Compliance Division of the Bank under direct supervision of Audit Committee of the Board has been implementing detail guidelines on ICC risk management to assess and mitigate risks and as part of it the IC & CD has been divided into three (3) independent units; namely:-

- a) Audit & Inspection unit;
- b) Monitoring Unit and
- c) Compliance Unit.

The units have been functioning independently and separately with direct reporting lines to the Head of IC & CD.

In addition, Departmental Control Function Checklist has been introduced in the branches and divisions at Head Office under direct supervision of Monitoring Unit of IC&CD which ensures compliance with regulatory rules and regulations as well as general banking norms and procedures.

Policy guidelines on RISK BASED INTERNAL AUDIT (RBIA) system have been formulated and the branches have already been brought under RBIA networks. As per RBIA, marks have been allocated for rating of the branches in terms of business risk and control risk. The branches scoring higher are being subjected to more frequent audits.

It is a policy of the Bank to put all branches of the Bank under any form of audit four times in a year and IC & CD has been working in that direction. All the activities of the Internal Control & Compliance Division are devoted to address and mitigate operational risks of the Bank in more effective way to ensure efficiency and effectiveness of performance, ensure reliability and completeness of financial and management information and to ensure compliance with legal and regularity requirements.

f) Information technology

State Bank of India, Bangladesh Operation follows the guideline stated in BRPD Circular No. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks" and BRPD Circular No. 21 dated 20 May 2010 "Guideline on ICT Security:

IT management deals with IT policy documentation, internal IT audit, training and insurance.

IT operation management covers the dynamics of technology operation management including change management, asset

In order to ensure that information assets are protected against risk, there are controls over:

We have launched our Internet Banking System using our in-house developed software and we are extending this services to the customers of our all Online Branches.

As approved by the appropriate authority, the establishment of our own ATM Network with 6 ATM Booths across the country. We have already participated in the National Payment Switch as Pilot Bank under supervision of Bangladesh Bank and inaugurated our ATM Debit Card. We have obtained Principal Membership Visa Card. Our ATM card is acceptable in all the VISA ATm Booth and we have not charged any transaction cost if the card is use in other Bank's ATM Booth.

We have successfully implemented Bangladesh Automated Clearing House (BACH) and Bangladesh Electronic Fund Transfer System (BEFTN), Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank.

We have established our website www.sbibd.com where from the visitors can get information about our products, charge schedule, career opportunities, procurement notices and present status of our bank. The website is updated periodically and also as and when required. Communication through email among our Branches, Country Office and different Divisions of Country Office under our own Mail Server at IT Division, Country Office has become quick and easier.

To ensure proper training to our officials, Information Technology Division arranged need based hands on training program at our Computer Lab daily in addition to training/workshop arranged at Country Office Conference Room through Video Conference throughout the year. During the year 2014, we conducted 17 training programs at our Computer Lab on 7 (seven) different Topics/Modules covering 42 participants and 2 (two) Workshop on General Banking Practices and related IT Operations through Video Conference covering 24 participants from Branches/Country Offices across the country.

2.14 Disclosure on fraud and forgeries committed by bank employees:

No fraud occurred during the period

2.15 Off-balance sheet items

Under general banking transactions, liabilities against acceptance, endorsement and other obligations and bills against which acceptances have been given and claims exist there against, have been shown as off-balance sheet items.

2.16 Offsetting

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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability substantially.

2.17 Interest paid and other expenses

In terms of the provisions of BAS 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.18 Reporting period

These financial statements cover one calendar year from 01 January 2014 to 31 December 2014.

2.19 Number of employees

The number of employees employed in the Bank as on 31 December 2015 was 109, of which 92 were male and 17 were female. The number of employees per branch was 18.17 excluding 20 employees in the Country office of the Bank.

2.20 Provision for liability

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.21 Events after reporting period

In terms of provision of BAS 10 "Events after Reporting period "no material events have occurred after balance sheet date which could affect the values reported in the financial statements, except declaration of dividend, if any.

2.22 BASEL II implementation

The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as 'Basel II'. The new guideline is structured around three pillars: (i) minimum capital requirement (on credit risk, market risk and operation risk), (ii) supervisory review process and (iii) market discipline. Implementation of Basel II framework in Bangladesh will integrate the risk management process of the Bank and its capital adequacy requirement. Bangladesh Bank has formed a Committee and Coordination Committee for implementation of BASEL II in Bangladesh. As per the Committee decision BASEL II has been fully implemented in Bangladesh from January 2011. The Committee has indicated that following methodology of BASEL II would be followed in Bangladesh:

- I. Standardized method for credit and market risk.
- II. Basic indicator approach for operational risk.
- III. Internal Ratings Based for credit risk has been applied from 2012 where prior permission from Bangladesh Bank would be required.

The Committee has suggested for continuous training of the officers and employees of the banks for capacity building and formation of an implementation team. Implementation team would remain responsible for overall supervision of BASEL II implementation in their banks. It has also suggested that the board of directors should also remain updated on the issue.

Accordingly, the Bank has formed BASEL II implementation team and is providing training to senior management, credit officers and managers of the Bank. BASEL II implementation team has been regularly monitoring and to give various suggestion/instruction regarding implementation of the above three pillars.

2.23 Training

In implementation of the human resources development strategy, the Bank sent its employees to different training organizations to build up professionals with technical, human and conceptual skills. This is focused to ensure a formal platform where employees can exchange their ideas, update their knowledge base, open up their eyes to the complexities of banking world.

During the year 2015, the training institute of the Bank has arranged a total of 38 training courses, seminars and workshops mostly conducted by the internal resource persons with 532 participants. The objectives of designing all training programmes are to bridge the gap between present level of competence and the required level of competence.

2.24 Audit committee

An audit committee was constituted by the Board of Directors of State Bank of India, Bangladesh Operation in its 23rd meeting held on March 02, 2003. Subsequently, the Board of directors in its 91st meeting held on May 14, 2008 reconstituted the Audit Committee as under:

Name	Status in the Bank	Status in the committee	Educational Qualification
Satwinder Singh	HRMD	Chairman	M.A, CAIIB, Diploma in Business
M.C.Datta	VP	Member	B. Sc
D.P.Das	VP	Member	B.Com
Mohammad Masudul Amin	VP(Credit)	Member	MBA (Finance), MBM

During the year, the Audit Committee of the Board conducted 8 (Six) meetings in which among others, the following issues were discussed:

Facts

- Discuss the Comprehensive Inspection report of Bangladesh Bank of Bangladesh Operations.
- Discuss the audit report of different Country Office departments and Branches conducted by the Bank's internal audit team from time to time.
- Discuss the fraud/forges & operational loss report.
- Review the position of reconciliation with other bank and Nostro Account.
- Review the status of the Special Mentioned Account (SMA) and Bad/Loss loan.
- Reviewing the Anti money laundering policy of the Bank.

2.25 Credit Rating of the Bank

Credit rating of the Bank of last four years are shown below-

Sl.	Year	Rating Agencies	Long Term	Short Term
1	Jan to Dec 2014	ALPHA	AA-	AR-2
2	Jan to Dec 2013	CRISL	AA-	ST-2
3	Jan to Dec 2012	CRISL	AA+	ST-2
4	Jan to Dec 2011	CRISL	AA	ST-2
5	Jan to Dec 2010	CRISL	AA	ST-2
6	Jan to Dec 2009	CRAB	AA3	ST-2

2.26 Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year for the purpose of comparison with current year's presentation, without any impact on.

2.27 Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

2.28 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

2.29 Statement of compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, [the Securities and Exchange Rules 1987]. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

i) Investment in shares and securities

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

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

ii) Revaluation gains/losses on Government securities

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

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

iii) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Recognition of interest in suspense

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

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

v) Other comprehensive income

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

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

vi) Financial instruments – presentation and disclosure

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

vii) **Cash and cash equivalent**

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

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

viii) **Non-banking asset**

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

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

ix) **Cash flow statement**

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

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

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

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

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

xi) **Presentation of intangible asset**

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

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

xii) **Off-balance sheet items**

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

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

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

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

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

2.30 Compliance Status with BFRS and BAS

Sl.	Bangladesh Accounting Standards (BASs)	Reference	Status
1	Presentation of Financial Statements	BAS 1	Complied
2	Inventories	BAS 2	Not Applicable
3	Statement of Cash Flows	BAS 7	Complied
4	Accounting Policies, Changes in Accounting Estimates and Errors	BAS 8	Complied
5	Events after the Reporting Period	BAS 10	Complied
6	Construction Contracts	BAS 11	Not Applicable
7	Income Taxes	BAS 12	Complied
8	Property, Plant and Equipment	BAS 16	Complied
9	Leases	BAS 17	Not Applicable
10	Revenue	BAS 18	Complied
11	Employee Benefits	BAS 19	Complied
12	Accounting for Government Grants and Disclosure of Government Assistance	BAS 20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	BAS 21	Partially Complied

14	Borrowing Costs	BAS 23	Complied
15	Related Party Disclosures	BAS 24	Complied
16	Accounting and Reporting by Retirement Benefit Plans	BAS 26	Not Applicable
17	Separate Financial Statements	BAS 27	Not Applicable
18	Investments in Associates and Joint Ventures	BAS 28	Not Applicable
19	Financial Reporting in Hyperinflationary Economies	BAS 29	Not Applicable
20	Financial Instruments: Presentation	BAS 32	Complied
21	Earnings per Share	BAS 33	Not Applicable
22	Interim Financial Reporting	BAS 34	Not Applicable
23	Impairment of Assets	BAS 36	Complied
24	Provisions, Contingent Liabilities and Contingent Assets	BAS 37	Complied
25	Intangible Assets	BAS 38	Not Applicable
26	Financial Instruments: Recognition and Measurement	BAS 39	Complied
27	Investment Property	BAS 40	Not Applicable
28	Agriculture	BAS 41	Not Applicable

Sl.	Bangladesh Financial Reporting Standard (BFRS)	Reference	Status
1	First-time Adoption of International Financial Reporting Standards	BFRS 1	Not Applicable
2	Share-based Payment	BFRS 2	Not Applicable
3	Business Combinations	BFRS 3	Not Applicable
4	Insurance Contracts	BFRS 4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	BFRS 5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	BFRS 6	Not Applicable
7	Financial Instruments: Disclosures	BFRS 7	Partially Complied
8	Operating Segments	BFRS 8	Not Applicable
9	Consolidated Financial Statements	BFRS 10	Not Applicable
10	Joint Arrangements	BFRS 11	Not Applicable
11	Disclosure of Interests in Other Entities	BFRS 12	Not Applicable
12	Fair Value Measurement	BFRS 13	Partially Complied

2.31 General disclosure

2.31.1 Claim not acknowledged as debt

There was no claim against the bank not acknowledged as debt as on 31 December 2014.

2.31.2 Number of employees

The number of Employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk.36,000 or above were 111 (2012:117).

2.31.3 Post balance sheet events

There was no significant post balance sheet events occurred.

2.31.4 Coverage of external audit

The external auditor of the Bank, M/s HOWLADAR YUNUS & CO. Chartered Accountants worked about in excess of 3,040 man hour at Country Office, 6 Branches and 2 Off-shore Banking Units. During their audit, above 80% of the Bank's risk weighted assets were reviewed as on the Balance Sheet date.

		Amount in Taka	
		2015	2014
3. Cash			
A. Cash in hand			
Local currency		27,881,741	22,801,499
Foreign currency (including OBU)		3,948,287	8,185,354
ATM cash balance		2,048,200	1,103,500
		33,878,228	32,090,353
B. Balance with Bangladesh bank and its agent bank(s)			
Local currency	(Note: 3.1)	478,163,869	551,103,167
Foreign currency		25,258,604	103,143,778
		503,422,473	654,246,945
Sonali bank as agent of Bangladesh bank (local currency)		-	-
		503,422,473	654,246,945
		537,300,701	686,337,298
3.1 Local currency			
Lien with Bangladesh Bank		-	-
Free Balance with Bangladesh Bank		478,163,869	551,103,167
		478,163,869	551,103,167
3.2 Statutory deposits			
The Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) are maintained as per BRPD Circular No. 11 & 12 dated 25 August 2005, MPD circular No. 01 dated 23 June 2014 & MPD circular no. 02 dated 10 December 2013. Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) and deposits there against with Bangladesh Bank at 31 December 2014 are as follows:			
3.2.1 Cash Reserve Requirement (CRR)			
i. Daily Bank's CRR maintenance			
Required reserve (5.5% of total time & demand liabilities)		420,714,516	478,816,490
Actual reserve maintained		465,391,000	538,721,000
Surplus/ (deficit)		44,676,484	59,904,510
Maintained(%)		6.64%	6.75%
ii. Bi- Weekly bank's CRR maintenance			
Required reserve (6% of total time & demand liabilities)		911,664,000	518,717,860
Actual reserve maintained		8,248,360,950	538,721,000
Surplus/ (deficit)		7,336,696,950	20,003,140
Maintained(%)		6.64%	6.75%
3.2.2 Statutory Liquidity Reserve (SLR)			
Required reserve (19% of total time & demand liabilities)		911,664,000	1,037,435,720
Actual reserve maintained		8,248,360,950	7,785,274,540
Surplus/ (Deficit)		7,336,696,950	6,747,838,820
Maintained(%)		117.62%	102.50%
4 Balance with other banks and financial institutions			
Inside Bangladesh	(Note: 4.1)	28,755,594	13,645,219
Outside Bangladesh	(Details are given in Annexure- A) (Note: 4.2)	190,533,458	50,607,594
		219,289,052	64,252,813
Off-shore Banking Unit		145,967,125	180,882,062
		365,256,177	245,134,875
4.1 Balance with other banks and financial institutions (Inside Bangladesh)			
On demand deposit accounts (Current account)			
Uttara Bank		7,842,138	4,378,756
Sonali Bank		70,892	70,667
Pubali Bank		11,207	3,276,267
		7,924,237	7,725,690
On short term deposit (STD) accounts			
Uttara Bank		9,559,303	2,115,912
Standard Chartered Bank-ATM settlement A/C		11,272,054	3,803,617
		20,831,357	5,919,529
		28,755,594	13,645,219

Amount in Taka	
2015	2014

4.2 Balance with other banks and financial institutions (Outside Bangladesh)

On demand deposit accounts (Non interest bearing)

State Bank of India, West Germany(FF)	67,221,821	15,588,913
State Bank of India, London	733,534	464,742
State Bank of India, New York	24,860,865	7,539,084
State Bank of India, Japan	175,400	174,622
	92,991,620	23,767,361

On demand deposit accounts (Interest bearing)

Standard Chartered Bank, Karachi Branch	-	-
Deutsche Bank, Mumbai	-	-
JP Morgan Chase Bank	67,701,901	14,143,158
ACU Dollar Nostro a/c	12,471,479	2,629,470
Wachovia Bank	-	-
Bank of America	8,542,418	6,189,501
Deutsche Bank Trust Company, New York	8,826,040	3,878,105
	97,541,838	26,840,233

	190,533,458	50,607,594
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4.3 Foreign currency wise break-up

Currency name	Amount in FC	Conversion rate		
US Dollar	1,559,767	78.4750	122,402,704	34,379,317
Great Britain Pound	6,305	116.3465	733,534	464,742
EURO	783,668	85.7784	67,221,821	15,588,913
Japanese Yen	268,072	0.6543	175,400	174,622
			190,533,458	50,607,594

5 Money at call and short notice

Banking company

Jamuna Bank Limited	-	230,000,000
Dhaka Bank Limited	350,000,000	-
Commercial Bank of Ceolon	-	210,000,000
Bank Asia Limited	150,000,000	230,000,000
One Bank Limited	-	70,000,000
Brac Bank Limited	370,000,000	120,000,000
NCC Bank Limited	370,000,000	150,000,000
The City Bank Limited	370,000,000	150,000,000
Trust Bank Limited	200,000,000	230,000,000
	1,810,000,000	1,390,000,000

Off-shore Banking Unit

	1,810,000,000	1,390,000,000
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5.1 Maturity grouping of money at call and short notice

Up to one month	1,810,000,000	1,390,000,000
Over one month but below three months	-	-
Over three months but below one year	-	-
Over one year but below five years	-	-
Over five years	-	-
	1,810,000,000	1,390,000,000

6 Investments

Government Securities	(Note: 6.1)	8,292,387,541	7,783,299,552
Other Investments	(Note: 6.2)	3,138,890	3,138,890
		8,295,526,431	7,786,438,442
Off-shore Banking Unit		-	-
		8,295,526,431	7,786,438,442

Investment in securities are classified as follows:

Held for trading	-	-
Held to maturity	8,292,387,541	7,783,299,552
Other Investments	3,138,890	3,138,890
	8,295,526,431	7,786,438,442

		Amount in Taka	
		2015	2014
Treasury bills and treasury bonds amounting Tk.721.36 crore has been pledged with Bangladesh Bank for Capital Purpose. Details of investments are given in Annexure- F)			
6.1 Government securities			
Treasury bill			
30 day Treasury bills		2,024,452,570	
91 day Treasury bills		1,376,871,362	2,806,306,560
182 day Treasury bills		199,866,747	1,416,574,453
364 day treasury bills		1,694,811,638	307,993,851
		5,296,002,317	4,530,874,865
Treasury bond			
2 year Treasury Bonds		3,500,149	12,881,139
5 year Treasury Bonds		516,778,322	743,773,140
10 year Treasury Bonds		1,502,675,099	1,155,921,128
15 year Treasury Bonds		614,427,509	421,421,888
20 year Treasury Bonds		358,089,844	917,435,793
		2,995,470,924	3,251,433,088
Prize bonds		914,300	991,600
		8,292,387,541	7,783,299,552
6.2 Other investments			
Shares of Central Depository Bangladesh Limited (CDBL)			
Particulars	No of Shares		
Initial investment @ Tk.10	200,000	2,000,000	2,000,000
Purchase of Right share @ Tk.10	113,889	1,138,890	1,138,890
Bonus share @ Tk.10	828,472	-	-
	1,142,361	3,138,890	3,138,890
6.3 Maturity wise grouping of investments (Other than CDBL Shares)			
Payable on demand		914,300	991,600
Below three months		3,401,323,932	4,222,881,014
Over three months but below one year		1,894,678,385	307,993,851
Over one year but below five years		520,278,471	756,654,279
Over five years		2,475,192,453	2,494,778,809
		8,292,387,541	7,783,299,552
7 Loans and advances			
a. Loans, Cash Credits, Overdrafts etc.:			
Overdrafts		664,427,598	678,473,521
Demand loans		661,560	788,850
Telecommunication		1,000,000,000	
Cash credit		1,569,206,923	1,306,625,950
House building loan		107,840,199	144,475,421
Transport loan		856,524,409	705,973,651
Term loans		73,769,963	980,103,340
Loan against trust receipts		-	33,930,424
Agricultural loan		100,000,000	102,906,000
Staff loans	(Note - 7.6)	31,648,000	35,540,001
		4,404,078,651	3,988,817,159
Off-shore Banking Unit		362,342,267	4,841,047,695
		4,766,420,918	8,829,864,854
b. Bills purchased & discounted:			
Domestic Banking Unit	(Note - 7.15)	5,373,762	38,833,728
Off-shore Banking Unit		5,431,101,113	30,573,852
		5,436,474,875	69,407,580
		10,202,895,793	8,899,272,434
7.1 Net loans and advances			
Gross loans and advances		10,202,895,793	8,899,272,434
Less:			
Interest suspense		41,841,539	98,673,668
Provision for loans & advances		672,112,981	851,842,901
		713,954,520	950,516,568
		9,488,941,273	7,948,755,866

		Amount in Taka	
		2015	2014
7.2 Maturity wise grouping of loans and advances			
Repayable on demand		332,719,492	303,910,289
More than 1 months to 3 months		1,355,069,429	5,747,817,530
More than 3 months to 1 Year		6,254,903,760	783,045,848
More than 1 year to 5 years		1,011,379,564	923,807,179
More than 5 years		1,248,823,549	1,140,691,588
		10,202,895,793	8,899,272,434
7.3 Loans and advances under the following broad categories			
Inside Bangladesh			
Term Loans		1,038,134,570	1,263,024,762
Cash Credits		2,701,516,483	2,086,152,603
Overdrafts		669,801,360	678,473,521
		4,409,452,413	4,027,650,887
Outside Bangladesh		-	-
Off-shore Banking Unit		5,793,443,380	4,871,621,547
		10,202,895,793	8,899,272,434
7.4 Geographical location wise portfolio grouping			
Inside Bangladesh			
Dhaka Division		3,306,460,018	2,594,684,758
Chittagong Division		957,667,250	1,297,260,701
Sylhet Division		113,568,008	111,307,034
Khulna Division		24,290,659	11,923,491
Rajshahi Division		7,466,478	12,474,902
		4,409,452,413	4,027,650,887
Off-shore banking unit		5,793,443,380	4,871,621,547
		10,202,895,793	8,899,272,434
7.5 Significant concentration wise grouping			
Staff			
Managing Director & CEO		-	-
Senior Executives		9,494,400	10,662,325
Others		22,153,600	24,877,676
		31,648,000	35,540,001
Industries			
i) Agricultural and Jute		127,268,584	102,906,000
ii) Readymade garments		160,909,489	139,105,479
iii) Textile		13,015,022	128,014,902
iv) Food & allied		-	7,648,689
v) Chemical		-	79,400,000
vi) Cement		82,337,049	88,700,000
vii) Printing Publishing & allied Industries		16,128,781	18,100,000
viii) Metal Products & Steel		-	114,400,000
ix) Petroleum & Coal Products		-	547,597
x) Leather & Leather Products		69,916,493	-
xi) Other		1,026,669,948	161,106,035
		1,496,245,365	839,928,703
Infrastructural			
i) Power		-	10,076,667
ii) Telecom		-	-
iii) Construction		120,870,813	315,140,105
iv) Transport		856,524,409	705,973,651
v) Feed		-	38,622,429
v) Others		580,752,668	466,937,777
		1,558,147,889	1,536,750,630
Consumers			
i) Commercial lending		-	35,369,000

* Our 6 (six) branches are located in urban areas . However, as we have obtained approval to open new branches in Bangladesh, we shall increase our loans and advances portfolio in rural areas of the country as well.

	Amount in Taka	
	2015	2014
ii) Export financing	-	33,930,424
iii) House building loan	107,840,199	144,475,421
iv) Small and medium enterprise	745,089,136	797,031,000
vi) Non-banking financial institutions	-	76,197,911
vi) Others	470,481,823	528,427,796
	1,323,411,158	1,615,431,553
Off-shore banking unit	5,793,443,380	4,871,621,547
	10,202,895,793	8,899,272,434
7.6 Staff loan		
Overdraft Loan	12,235,318	17,251,480
Car and motorcycle Loan	1,858,500	273,599
House building Loan	17,554,182	18,014,922
	31,648,000	35,540,001
7.7 Detail of large loan		
Total capital of the Bank was Taka 8022.30 million as at 31 December 2015 (Taka 7236.24 million at 31 December 2014 respectively). Number of clients with amount outstanding and classification status to whom loans and advances sanctioned exceeds 10% of the total capital of the Bank are shown in Annexure - B.		
7.8 Grouping as per classification rules		
Unclassified		
Standard including staff loan	3,832,356,004	3,013,950,741
Special Mention Account (SMA)	5,630,000	-
	3,837,986,004	3,013,950,741
Offshore Banking Unit	5,793,443,380	4,871,621,547
Classified		
Sub standard	5,952,388	179,039,848
Doubtful	-	-
Bad / Loss	565,514,021	834,660,297
	571,466,409	1,013,700,146
	10,202,895,793	8,899,272,434
7.9 Loan type wise classified loan		
Overdraft	669,801,360	678,473,521
Demand Loan	661,560	788,850
Term Loan	1,038,134,570	1,263,024,762
Cash Credit	2,700,854,923	2,085,363,753
Off-shore banking unit	5,793,443,380	4,871,621,547
	10,202,895,793	8,899,272,434
7.10 Sector-wise allocation of loans and advances		
Private		
Agriculture, fishing, forestry and dairy firm	127,268,584	102,906,000
Industry (jute, textile, garments, chemicals, cements etc.)	1,368,976,781	737,022,703
Working capital financing	1,406,106,999	1,411,537,748
Export credit	-	33,930,424
Commercial credit	-	35,369,000
Small and cottage industries	745,089,136	797,031,000
Miscellaneous	730,362,912	909,854,011
	4,377,804,413	4,027,650,887
Off-shore banking unit	5,793,443,380	4,871,621,547
	10,171,247,793	8,899,272,434
7.11 Securities against loans/advances including bills purchase and discount		
Collateral of moveable/immovable assets	2,718,152,493	2,672,305,295
Non-banking financial institutions guarantee	178,097,839	175,712,001
Local banks/foreign banks guarantee	6,155,050,024	5,175,542,496
Export documents	5,373,762	45,870,184
Cash and quasi cash	179,998,680	165,601,697
Personal guarantee	423,123,891	389,280,825
Other securities	511,451,104	274,959,936
	10,171,247,792	8,899,272,433

Amount in Taka	
2015	2014

7.12 Particulars of required provision for loans and advances

Provision required for unclassified loans and advances

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2014	Required provision December 2014
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing & loans for professional)	3,209,788,523	3,209,788,523	1%	32,097,885	22,938,428
Small & Medium enterprise financing	495,494,920	495,494,920	0.25%	1,238,737	1,454,658
Housing & loan for professional	86,438,276	86,438,276	2%	1,728,766	1,824,494
Consumer finance	8,986,285	8,986,285	5%	449,314	573,997
Special Mentioned Account (SMA)	5,630,000	5,630,000	1%	56,300	-
Staff Loan	31,648,000	31,648,000	0%	-	-
Off Shore Banking Unit	5,793,443,380	5,793,443,380	1%	57,934,434	48,716,215
Total	9,631,429,384	9,631,429,384	N/A	93,505,436	75,507,793

Provision required for off-balance sheet items (General Provision)

Name of Exposure	Outstanding	Rate (%)	Required provision December 2014	Required provision December 2014
Acceptances and endorsements	-	1%	-	-
Letter of guarantees	19,595,943,443	1%	195,959,434	166,352,180
Irrevocable letter of credits	1,076,586,029	1%	10,765,860	8,082,717
Total	20,672,529,472	1%	206,725,295	174,434,897

Total required provision for unclassified assets (including off-balance sheet items)

300,230,731

249,942,691

Provision maintained for unclassified assets (including off-balance sheet items)

301,530,941

253,890,393

Excess/(Short) provision at 31 December 2014

1,300,210

3,947,702

Provision required for classified loans & advances (Specific provision)

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2014	Required provision December 2014
Sub-standard	5,952,388	892,858	20%	178,572	26,077,641
Doubtful	-	-	50%	-	-
Bad/Loss	565,514,021	379,830,875	100%	379,830,875	585,126,109
Total	571,466,409	380,723,733	N/A	380,009,446	611,203,751

Total provision maintained for classified assets:

Sub Standard

178,572

36,717,762

Doubtful

-

-

Bad/loss

428,516,473

610,055,285

428,695,045

646,773,046

Excess/(Short) of provision

48,685,599

35,569,296

7.13 Particulars of loans and advances

i) Debts considered good in respect of which Bank is fully secured	9,076,796,690	7,892,359,712
ii) Debts considered good for which Bank holds no other security than the debtor's personal guarantee	731,796,281	673,264,418
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	362,654,822	333,648,304
iv) Debts adversely classified; for which no provision is created		
	10,171,247,793	8,899,272,434
v) Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	-	-

	Amount in Taka	
	2015	2014
vi) Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or in case of private companies as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	-	-
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members	-	-
ix) Due from banking companies	-	-
x) Amount of Classified loans on which interest has not been charged should be mentioned as follows:	-	-
a) Increase/decrease of provision (specific) amount of debts written off amount realized against loan previously written off.	-	-
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	428,516,473	610,055,285
c) Interest creditable to the Interest Suspense a/c.	41,841,539	98,673,668
xi) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned.	-	-
- Current year	-	-
- Cumulative to date	-	-
The amount of written off loans for which law suit filed.		
7.14 Suit filled by the bank (branch wise)		
Dhaka Region	247,399,886	283,017,980
Chittagong Region	685,390,107	692,855,032
Sylhet Region	31,413,654	37,827,133
	964,203,647	1,013,700,146
7.15 Bill purchase & discount under the following broad categories (DBU)		
Inside Bangladesh	5,373,762	38,833,728
Outside Bangladesh	-	-
	5,373,762	38,833,728
Off-shore Banking Unit	5,431,101,113	30,573,852
	5,436,474,875	69,407,580
7.16 Maturity wise grouping of bill purchase & discount		
Payable within 1 month	-	-
Over 1 month but less than 3 months	-	-
Over 3 months but less than 6 months	5,431,101,113	30,573,852
6 months and more	5,373,762	38,833,728
	5,436,474,875	69,407,580
7.17 Write off of loans & advances		
Balance at the beginning of the year	156,548,954	19,650,813
Add: Write off during the year	291,094,160	136,898,141
	447,643,114	156,548,954
Less: Recovery of Write off loans	2,489,502	-
	445,153,612	156,548,954
8 Fixed assets including premises, furniture and fixtures		
A. Cost		
Opening balance	174,558,316	169,153,823
Add: Addition during the year	32,415,431	9,970,185
	206,973,747	179,124,008
Less: Disposal/adjustment during the year	5,682,027	4,565,692
	201,291,720	174,558,316

		Amount in Taka	
		2015	2014
B. Accumulated Depreciation			
Opening balance		102,631,576	80,778,772
Add: Charged during the year		18,446,427	17,287,112
		121,078,003	98,065,884
Less: Disposal/adjustment during the year		4,018,270	(4,565,692)
		117,059,733	102,631,576
Written down value (A-B)		84,231,987	71,926,740
Off-shore Banking Unit		-	-
		84,231,987	71,926,740
(Details are given in Annexure- C)			
9 Other assets			
Domestic Banking Unit	(Note - 9.1)	796,102,333	227,963,856
Off-shore Banking Unit		160,121,601	153,083,345
		956,223,934	381,047,201
9.1 Domestic Banking Unit			
Income generating other assets :			
Interest receivable on Treasury Bond		119,459,995	163,406,032
Interest receivable on Dividend From CDBL		2,855,903	-
Interest receivables on Call Money		1,235,995	917,454
		123,551,892	164,323,486
Bank's actual interest receivable in investments is 'Tk. 222,320,255 in 2015 and 'Tk. 205,629,779 in 2014 but as per practice of SBI revaluation amount is included in interest receivable. At the end of year the bank passed reversal entry between interest income and create revaluation reserve amount. As such, we have netted off amounting taka 78,029,831 crore taka from interest receivables and increase the investment amount as per B.Bank instruction. Apart from this amounting taka 24,830,429 has been netted of with Interest receivables account which details are given in Management report.			
Non income generating other assets :			
Stationery, stamps, printing materials etc.		1,961,110	2,650,009
Advance rent and advertisement		39,579,286	58,122,654
Memento coin		154,000	154,000
Deferred expenses		-	-
Excise duty		1,978,209	2,363,130
Inter Branch lending(FC)		368,877,836	-
ISO reconciliation		-	350,577
Advance payment of Income Tax		260,000,000	-
Others		-	-
		672,550,441	63,640,370
		796,102,333	227,963,856
10 Non banking assets			
No non-banking assets is under the possession of the bank which acquired as claims. State Bank of India, Bangladesh Operation was not acquired any such assets as on 31 December 2015.			
11 Borrowing from other banks, financial institutions and agents			
Domestic banking unit		-	-
Off-shore banking unit		5,728,327,960	4,255,354,493
		5,728,327,960	4,255,354,493
12 Deposit and other accounts			
Local Currency			
Current & other accounts		1,506,590,646	1,168,966,129
Bills payable		24,428,492	29,211,898
Saving deposits		464,115,751	454,108,015
Fixed deposits		3,815,822,651	3,815,388,433
Short term deposit		639,525,461	363,607,161
Other deposits		12,750,851	254,777,143
		6,463,233,852	6,086,058,778
Foreign currency			
Current account		172,036,523	212,268,652
Other deposits		362,934,831	86,669,882
		534,971,353	298,938,534
Total Domestic Banking Unit (DBU) deposit and other accounts		6,998,205,206	6,384,997,312
Off-shore Banking Unit		41,970,630	60,540,239
		7,040,175,836	6,445,537,551

		Amount in Taka	
		2015	2014
12.1	Deposit details concentrating liquidity nature		
	i) Demand deposit		
	Current deposit	1,506,590,646	1,168,966,129
	Saving deposit (9%)	46,411,575	45,410,801
	Foreign currency deposit	172,036,523	212,268,652
	Short term deposit	216,286,130	138,294,047
	Other demand deposit-local currency	12,750,851	254,777,143
	Other demand deposit-foreign currency	362,934,831	86,669,882
		2,317,010,556	1,906,386,653
	ii) Time deposit		
	Saving deposit (91%)	417,704,176	408,697,213
	Fixed deposit	3,815,822,651	3,815,388,433
	Foreign currency deposit	-	-
	Short term deposit	447,667,823	254,525,013
		4,681,194,650	4,478,610,658
		6,998,205,206	6,384,997,312
12.2	Maturity wise grouping of deposits		
	Payable on demand	-	-
	Payable within 1 month	2,068,669,459	2,010,802,650
	Over 1 month but within 3 months	1,277,872,271	1,129,900,244
	Over 3 month but within 1 year	685,054,308	376,457,058
	Over 1 year but within 5 years	951,056,087	986,113,091
	Over 5 years	2,015,553,081	1,881,724,269
		6,998,205,208	6,384,997,313
13	Other liabilities		
	Domestic Banking Unit		
	Fixed deposit interest account	66,057,758	85,089,388
	Provision on loans and advances	{Note-13.1-(a+b)}	900,663,440
	Interest suspense's account	(Note-13.3) 41,841,539	98,673,668
	Withholding tax payable (Payable on interest)	(Note-13.4) -	1,196,245
	Provision for current taxation	(Note-13.5) 517,482,674	270,256,492
	Provision for deferred tax	(Note-13.6) (7,762,116)	(8,946,097)
	Inter branch adjustment account	1,204,151	55,215
	Foreign Currency Margin on Guarantee Account	-	1,132,038
	Short Term Deposit Interest Account	2,766,374	-
	ACU EURO Account	-	80,919,915
	Provision for gratuity	-	27,277,600
	Provision for audit fees	388,125	388,125
	Other Provision	27,407,049	21,329,050
		1,321,498,535	1,478,035,075
	Off-shore Banking Unit		
		61,103,697	2,767,400
	Total	1,382,602,232	1,480,802,476
13.1	Provision for loans and advances		
	Provision for loans and advances is created for covering the bank for possible loan losses in the future. General provision is made on outstanding loans and advances without considering the quality of loans and advances according to the prescribed rate of Bangladesh Bank. Classified loans and advances of the banks are categorized as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Provisions are made for NPAs as per the extant guidelines prescribed by Bangladesh Bank and RBI guideline which one is more stringent.		
	a. General		
	Balance at the beginning of the year	205,069,855	107,975,211
	Add: Provision made during the year	38,526,652	97,094,644
		243,596,507	205,069,855
	b. Specific		
	Balance at the beginning of the year	646,773,046	638,908,577
	Add: Provision charged to Profit & Loss Account	22,048,839	146,261,210
	Add: Provision transfer from Interest Income	-	-
	Less: Recoveries and provision no longer required	-	19,200,000
	Less: Interest waiver during the year	-	-
	Less: Write off during the year	240,305,412	119,196,741
		428,516,473	646,773,046
	Sub-total (a+b)	672,112,981	851,842,901
	c. Off-shore Banking Unit		
		57,934,434	48,820,538
	Net actual provision at the end of year (a+b+c)	730,047,415	900,663,440

Amount in Taka	
2015	2014

13.2 Provisions for off balance sheet items

Provision for off-balance sheet items is made as per BRPD circular No. 8 of 7 August 2007 and 18 September 2007 for covering the bank for possible losses on off-balance sheet items in the future. Provision amount is included in the General Provision for standard assets. Details movement of provision for Off-balance sheet items is as follows:

a. General Provision for Loans & Advance			
Balance at the beginning of the year		30,739,281	-
Add: Provision made/ (adjusted) during the year		6,131,931	30,739,281
	Sub-total	<u>36,871,212</u>	<u>30,739,281</u>
b. General Provision for Off Balance Sheet Exposure			
Balance at the beginning of the year		174,330,574	75,059,970
Add: Provision made/ (adjusted) during the year		32,394,721	99,272,488
	Sub-total	<u>206,725,295</u>	<u>174,332,458</u>
Total General Provision (a+b)		<u>243,596,507</u>	<u>205,071,739</u>

13.3 Interest suspense

Classified loans and advances of the banks are categorized as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Interest accrued on Sub-standard (SS), Doubtful and bad/Loss loans is recorded as 'interest suspense' and not taken to income. This interest is recognized as income as and when it is realized in cash by the bank.

Balance at the beginning of the year		98,673,668	135,636,098
Add: Provision made during the year		-	-
		<u>98,673,668</u>	<u>135,636,098</u>
Less: Amount of interest suspense recovered		6,043,381	19,261,030
Less: Write off during the year		50,788,748	17,701,400
Less: Interest waiver during the year		-	-
		<u>41,841,539</u>	<u>98,673,668</u>

13.4 Withholding tax payable (Payable on interest)

Balance at the beginning of the year		1,196,245	562,210
Add: Addition during the year		51,708,649	63,231,804
		<u>52,904,893</u>	<u>63,794,014</u>
Less: paid during the year		52,904,893	62,597,769
		<u>-</u>	<u>1,196,245</u>

13.5 Provision for current taxation

Balance at the beginning of the year		270,256,492	483,507,955
Add: Provision made during the year		385,000,000	488,309,032
		<u>655,256,492</u>	<u>971,816,987</u>
Less: Adjustment of tax provision for previous years		270,256,492	483,507,955
Less: Excess Tax Provision Transferred to P&L		(62,424,557)	
Less: Adjustment of tax provision for previous years		(70,058,117)	218,052,540
		<u>137,773,818</u>	<u>701,560,495</u>
(Details are in Annexure-D)		<u>517,482,673</u>	<u>270,256,492</u>

13.6 Deffered Tax Liability/ (Asset)

Deferred tax is provided using the liability method for timing differences arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12.

Opening balance		(8,946,097)	(9,705,078)
Add: Deffered Tax Expense/ (Income) during the year		1,183,981	758,981
		<u>(7,762,117)</u>	<u>(8,946,097)</u>

14 Fund deposited with Bangladesh Bank

Securities lien with Bangladesh Bank		7,213,626,369	6,462,789,044
Current Account balance lien with Bangladesh Bank		-	-
		<u>7,213,626,369</u>	<u>6,462,789,044</u>

SBI maintained capital in the form of deposit and lien of securities with Bangladesh Bank under section 13(3) of the Bank Company Act, 1991 and presented under the guidelines of BRPD circular No. 14 dated 25 June 2003. Details of securities lien with Bangladesh Bank is shown in Annexure-F.

Amount in Taka	
2015	2014

14.1 Capital adequacy as per Basel - II

Bangladesh Bank through BRPD Circular No. 09 dated 31.12.2008 has instructed to all Scheduled Banks to follow Capital Requirement rules on the basis of Risk Weighted Assets and revised Risk Based Capital Adequacy Framework in line with Basel II. Subsequently, Bangladesh Bank through BRPD Circular No. 24 dated 03.08.2010 & BRPD Circular No. 35 dated 29.12.2010 issued revised Guidelines on Risk Based Capital Adequacy for Banks (Revised Regulatory Capital Framework in line with Basel II). In accordance with Risk Based Capital Adequacy guidelines of Bangladesh Bank, details of calculation Risk Weighted Assets of the Bank has been are given below:

A. Regulatory capital

1. Tier-1 (Core capital)	(Note 14.1.1)	8,022,299,165	7,236,238,721
2. Tier-2 (Supplementary capital)	(Note 14.1.2)	340,545,857	275,002,266
3. Tier-3 (Additional supplementary capital) (Note 21)	(Note 14.1.3)	-	-
A. Total regulatory Capital (1+2+3)		8,362,845,022	7,511,240,988
B. Total Risk Weighted Assets (RWA)	(Note 14.2)	10,576,628,590	9,395,590,722
C. Capital Adequacy Ratio (CAR) (as against required above 10.00%)		79.07%	79.94%
D. Core capital to RWA (as against required minimum 5.00%)		75.85%	77.02%
E. Supplementary capital to RWA		4.07%	3.66%
F. Minimum Capital Requirement (MCR)			
10 % of RWA		1,057,662,859	939,559,072
As per The Bank Company Act, 1991		4,000,000,000	4,000,000,000
Minimum Capital Required (higher one of above)		4,000,000,000	4,000,000,000
G. Surplus equity (A-F)		4,362,845,022	3,511,240,988

14.1.1 Tier - I (Core Capital)

Fund deposit with Bangladesh Bank		7,213,626,369	6,462,789,044
Surplus in profit & loss accounts/Retained earnings		808,672,796	773,449,677
Statutory reserve		-	-
Non-repayable share premium account		-	-
General reserve		-	-
Retained Earnings		-	-
Minority interest in subsidiaries		-	-
Share money deposit		-	-
Non-cumulative irredeemable preference shares		-	-
Dividend equalization accounts		-	-
Sub-total		8,022,299,165	7,236,238,721
Deductible from Tier - I (Core capital)			
Book value of goodwill		-	-
Shortfall in provision required against classified assets		-	-
Deficit on account of revaluation of investment in AFS category		-	-
Any increase in equity capital resulting from a securitization transaction		-	-
Deferred tax income arising from "Loan loss provision"		-	-
Investment in subsidiary		-	-
Other if any		-	-
Sub-total		-	-
Total eligible Tier - I Capital		8,022,299,165	7,236,238,721

14.1.2 Tier - II (Supplementary Capital)

General Provision		301,530,941	253,890,393
Asset revaluation reserve		39,014,915	21,111,874
Preference Share		-	-
Perpetual Subordinated debt		-	-
Exchange Equalization Fund		-	-
Sub-total		340,545,857	275,002,266
Deduction (Investment in subsidiary)		-	-
Total eligible Tier - II Capital		340,545,857	275,002,266

14.1.3 Tier-III (Additional Supplementary Capital)

Short term sub-ordinated debt		-	-
Total eligible Tier-III capital		-	-
Total regulatory capital		8,362,845,022	7,511,240,988

14.2 Risk Weighted Assets (RWA)

1. Investment (credit) Risk		8,478,787,463	7,120,385,794
(i) On-balance sheet		7,692,977,275	6,707,745,720
(ii) Off-balance sheet		785,810,189	412,640,075
2. Market Risk		33,770,179	12,684,022
3. Operational risk		2,064,070,948	2,262,655,347
		10,576,628,590	9,395,725,164

(Details are given in Annexure- G)

		Amount in Taka	
		2015	2014
15 Surplus in profit and loss account/ retained earnings			
a. Domestic Banking Unit			
Balance at the beginning of the year		453,304,637	1,925,679,420
Add: Net Profit for the year		648,810,282	434,060,213
Add: Excess Income Tax Provision Written Back		62,424,557	-
Add: Net Profit received from Off-share Banking Unit (OBU)		443,219,220	-
Less: Transfer to deposit with Bangladesh Bank		1,067,215,719	1,906,434,996
	Sub-Total	<u>540,542,977</u>	<u>453,304,637</u>
b. Off-shore banking unit:			
Opening balance		320,145,040	211,100,125
Add: Net profit during the year		268,129,819	110,402,563
Less: Transfer to Retained Profit		(320,145,040)	1,357,648
	Sub-Total	<u>268,129,819</u>	<u>320,145,040</u>
	Total (a+b)	<u>808,672,796</u>	<u>773,449,677</u>
16 Other reserve			
Balance at the beginning of the year		42,223,747	82,406,044
Add: Amortization gain on HTM securities		78,029,831	42,223,747
		<u>120,253,578</u>	<u>124,629,791</u>
Less: Transferred to Profit & Loss Account at maturity		42,223,747	82,406,044
		<u>78,029,831</u>	<u>42,223,747</u>
Off-shore Banking Unit		-	-
		<u>78,029,831</u>	<u>42,223,747</u>
17 Contingent liabilities			
Bills for collection		-	-
Import Letters Of Credit - Sight		1,076,586,029	797,839,354
Import Letters Of Credit - Usance		-	-
Import Letters Of Credit - Back to Back		-	-
Letter of guarantee	(Note 17.1)	19,595,943,443	16,635,218,015
		<u>20,672,529,472</u>	<u>17,433,057,369</u>
Off-shore Banking Unit		-	10,432,345
		<u>20,672,529,472</u>	<u>17,443,489,714</u>
17.1 Letter of guarantee			
Letter of Guarantee (Local)		-	-
Letter of Guarantee (Foreign)		19,595,943,443	16,635,218,015
Foreign counter Guarantee		-	-
		<u>19,595,943,443</u>	<u>16,635,218,015</u>
Less: margin		103,656,684	108,692,716
		<u>19,492,286,758</u>	<u>16,526,525,299</u>
Balance for which the Bank is contingently liable in respect of guarantee issued favoring			
Directors		-	-
Government		-	-
Bank and other financial institution		19,595,943,443	16,635,218,015
Less : Margin		103,656,684	108,692,716
		<u>19,492,286,758</u>	<u>16,526,525,299</u>
17.2 Irrevocable letter of credit			
Letter of Credit (Inland)		-	-
Letter of Credit (General)		1,076,586,029	797,839,354
Back to Back L/C		-	-
		<u>1,076,586,029</u>	<u>797,839,354</u>
Off-shore banking unit		-	10,432,345
		<u>1,076,586,029</u>	<u>808,271,699</u>
Less: Margin		402,340,557	91,362,690
		<u>674,245,472</u>	<u>716,909,009</u>
17.3 Suit filed by the bank			
No law suit filed by the bank against contingent liabilities.			
17.4 Cash and cash-equivalents items Breakup			
Cash		537,300,701	686,337,298
Balance with other banks and financial institutions		365,256,177	245,134,875
Money at call and short notice		1,810,000,000	1,390,000,000
Prize bonds		914,300	991,600
		<u>2,713,471,178</u>	<u>2,322,463,772</u>

Previous years figures has been re-arranged to conform the prescribed formate of Bangladesh Bank.

		Amount in Taka	
		2015	2014
18	Income statement		
	Income		
	Interest, discount and similar income (Note-18.1)	577,454,142	636,978,381
	Fees, commission and brokerage (Note-18.2)	693,665,877	482,881,533
	Gains less losses arising from dealing securities	-	-
	Gains less losses arising from investment securities (Note-20)	538,532,052	666,122,315
	Income from non-banking assets	-	-
	Other operating income (Note-22)	2,781,433	1,594,245
	Profit less losses on interest rate changes	-	-
		1,812,433,504	1,787,576,474
	Expenses		
	Interest, fees and commission (Note-19)	374,919,235	458,652,342
	Losses arising from dealing securities	-	-
	Administrative expenses (Note-18.3)	200,502,475	153,048,676
	Other operating expenses	101,141,247	101,141,247
	Depreciation on banking assets (Note-28)	18,350,707	17,287,112
		694,913,665	730,129,377
	Off-shore Banking Unit (OBU)	277,056,364	207,611,286
		971,970,029	937,740,663
18.1	Interest, discount and similar income		
	Interest on loans and advances (Note 18.1.1)	372,739,441	482,573,626
	Interest on money at call and short notice	204,714,701	153,806,747
	Interest on balance with other banks	-	598,008
	Interest on other sundry income	-	-
		577,454,142	636,978,381
	Off-shore Banking Unit (OBU)	335,193,537	270,763,637
		912,647,679	907,742,018
18.1.1	Interest on loans and advances		
	Cash Credits	140,253,889	192,632,340
	Overdrafts	93,040,309	93,967,708
	Bill Purchased & Discount	-	-
	Demand Loan	12,685,005	(38,342,123)
	Term Loan	126,760,239	234,315,701
		372,739,441	482,573,626
	In the year 2011, written back specific provision erroneously credited to " Interest on Term Loan" instead of debiting provision for Loans & Advances. Now the errors being rectified accordingly		
18.2	Fees, commission and brokerage		
	Fees	-	-
	Commission	693,665,877	482,881,533
		693,665,877	482,881,533
18.3	Administrative expenses		
	Salaries and allowances	107,747,840	67,031,774
	Rent, taxes, insurance, electricity etc.	72,071,327	69,581,689
	Legal expenses	1,980,445	2,195,614
	Postage, stamps, telecommunication etc.	4,233,627	4,557,142
	Stationery, printing, advertisement etc.	8,719,552	4,806,967
	Chief Executive's salary & fees	-	-
	Directors' fees & expenses	-	-
	Auditors' fee	1,200,000	500,000
	Repairs & maintenance of fixed assets	4,549,684	4,375,490
		200,502,475	153,048,676

		Amount in Taka	
		2015	2014
19	Interest paid on deposits and borrowing etc.		
	Interest on deposits		
	Recurring Deposit	16,205,492	14,295,722
	Short Term Deposit (STD)	6,328,741	9,850,048
	Savings	17,205,701	19,704,216
	Term	277,346,554	357,760,149
		317,086,487	401,610,135
	Interest on money at call and short notice	57,832,748	57,042,207
	Interest on local bank accounts	-	-
	Off-shore Banking Unit (OBU)	68,809,486	72,822,452
		443,728,722	531,474,794
20	Investment income		
	Interest on treasury bonds	365,421,339	305,902,340
	Interest (discount) on treasury bills	170,254,810	357,364,073
	Dividend income	2,855,903	2,855,903
		538,532,052	666,122,315
21	Commission, exchange and brokerage		
	Commission for Guarantees	122,808,169	110,614,491
	Commission for LC negotiation/amendment/advising	22,236,571	13,677,363
	Commission for Foreign bill negotiation	-	-
	Commission for outward remittances	7,849,480	7,184,332
	Commission on Visa Processing	475,469,359	281,160,025
	Commission for miscellaneous	13,955,388	22,697,719
	Foreign exchange earnings	51,346,910	47,547,603
		693,665,877	482,881,533
	Off-shore banking unit	9,097,775	12,424,372
		702,763,652	495,305,905
22	Other operating income		
	Miscellaneous Income (DBU)	1,026,391	1,583,487
	Off-shore Banking Unit (OBU)	1,755,042	10,758
		2,781,433	1,594,245
23	Salaries and allowances		
	Basic Salary	84,631,917	52,159,828
	Salary Casual Staff	15,901,702	11,020,509
	Bonus & Ex-gratia	3,364,481	1,212,727
	Provident Fund	3,849,740	2,638,710
	Gratuity	-	-
		107,747,840	67,031,774
24	Rent, taxes, insurance, electricity etc.		
	Rent, rates & taxes	55,200,379	54,250,072
	Insurance	7,877,753	7,354,659
	Power & electricity	8,993,195	7,976,957
		72,071,327	69,581,689
25	Postage, stamp, telecommunication etc.		
	Postage & courier	949,930	1,023,084
	Telephone-Office	3,196,174	3,378,284
	Telephone-Residence	87,523	155,774
		4,233,627	4,557,142
26	Stationery, printing, advertisement etc.		
	Stationery & Printing	8,612,062	4,669,228
	Advertisement Statutory	107,490	110,229
	Advertisement Public Relation	-	27,510
		8,719,552	4,806,967

		Amount in Taka	
		2015	2014
27	Auditors' fee		
	Audit Fee (Statutory Audit)	345,000	345,000
	Others	855,000	155,000
		1,200,000	500,000
28	Depreciation on and repairs to bank's assets		
	A. Depreciation of property plant and equipments		
	Furniture & fixtures	18,350,707	3,180,272
	Office equipments	-	5,299,489
	IT hardware	-	8,807,351
		18,350,707	17,287,112
	B. Repairs & maintenance expenses		
	Transport Maintenance	-	-
	Equipment Maintenance	4,549,684	4,375,490
	Hardware & Software Maintenance	-	-
	Premises Maintenance	-	-
		4,549,684	4,375,490
	C. Off-shore Banking Unit (OBU)	-	-
		22,900,391	21,662,602
29	Other expenses		
	Water Consumption	1,622,170	1,208,097
	Traveling expenses	3,085,726	3,001,567
	Halting allowance	580,782	552,460
	House up keep IB officers	37,680	64,790
	Medical expenses	2,636,821	2,391,690
	Computer expenses	16,861,335	9,479,087
	Petrol, Oil and Lubricants	1,966,979	2,052,554
	Security	11,970,939	10,822,235
	Membership subscription	565,783	348,580
	Entertainment: canteen & other	10,597,212	8,002,172
	News paper/Books	1,697,358	1,544,891
	Conveyance Allowance	10,632,345	8,675,046
	Finacle Expenses	20,116,357	11,594,441
	Children Education	643,085	912,057
	Clearing Expenses	1,099,876	1,365,753
	Other Allowances	4,379,800	3,556,057
	Overheads	6,402,829	-
	Charges Donation	2,170,650	1,055,515
	Rentals	6,090,522	2,596,590
	Training	1,559,979	1,653,957
	Charges Others	19,373,491	9,450,766
		124,091,718	80,328,304
	Off-shore Banking Unit (OBU)	180,503	214,028
		124,272,222	80,542,332
30	Provisions		
	loans & advances		
	Provision on classified loans & advances	148,565,654	148,565,654
	Less: Recoveries/Provision no longer required	4,482,288	4,482,288
		144,083,366	144,083,366
	Less: Provision on off balance sheet items	-	-
	Provision for diminution in value of Investments	-	-
		144,083,366	144,083,366

	Amount in Taka	
	2015	2014
b) Provision for Off Balance Sheet		
Provision on LC & BG	99,272,488	99,272,488
Less: Recoveries/Provision no longer required	-	-
	<u>99,272,488</u>	<u>99,272,488</u>
c) Off-shore Banking Unit (OBU)		
	8,926,545	8,973,926
	<u>8,926,545</u>	<u>8,973,926</u>
Grand Total (a+b+c)	<u><u>252,282,399</u></u>	<u><u>252,329,780</u></u>

Previous year provision for off balance sheet items was included with provision for loans & advances and shown in the profit and loss account grossly. Now we have rearranged the figures and shown separately to confirm the current year's presentation.

31 Related party/(ies) transactions

The bank had no transactions with related parties in the normal course of business an on arm length basis. As on 31 December 2014, the bank had following transactions with the 'Related Party/(ies)' as defined in the BRPD Circulars No. 14 issued by the Bangladesh Bank on 25 June 2003.

Name of the Related Parties	Relationship	Nature of Transaction	Year end balance
Nil	NIL	NIL	NIL

State Bank of India

**Bangladesh Operation
Domestic Banking Unit
Balance Sheet**

As at December 31, 2015

	Notes	Amount in Taka	
		2015	2014
PROPERTY AND ASSETS			
Cash	3	537,300,701	686,337,298
Cash in hand (Including foreign currency)		33,878,228	32,090,353
Balance with Bangladesh bank and its agent bank(s) (Including foreign currency)		503,422,473	654,246,945
Balance with other Banks and Financial Institutions	4	219,289,052	64,252,813
Inside Bangladesh		28,755,594	13,645,219
Outside Bangladesh		190,533,458	50,607,594
Money at call and short notice	5	1,810,000,000	1,390,000,000
Investments	6	8,295,526,431	7,786,438,442
Government		8,292,387,541	7,783,299,552
Others		3,138,890	3,138,890
Loans and advances	7	4,409,452,413	4,027,650,887
Loans, cash credit, overdrafts etc.		4,404,078,651	3,988,817,159
Bills purchased & discounted		5,373,762	38,833,728
Fixed assets including premises, furniture and fixtures	8	84,231,987	71,926,740
Other assets	9	796,102,333	697,553,888
Non-banking assets	10	-	-
Total Property and Assets		16,151,902,917	14,724,160,068
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	-	-
Deposit and other accounts	12	6,998,205,206	6,384,997,311
Current & other accounts		2,065,990,491	1,497,116,561
Saving deposits		464,115,751	454,108,015
Fixed deposits		3,815,822,651	3,815,388,433
Other deposits		652,276,312	618,384,303
Other liabilities	13	1,321,498,535	1,380,845,329
Total liabilities		8,319,703,740	7,765,842,640
Capital and shareholders' equity			
Fund deposited with Bangladesh Bank	14	7,213,626,369	6,462,789,044
Surplus in profit and loss account/ Retained earnings	15	540,542,978	453,304,637
Other reserve	16	78,029,831	42,223,747
Total shareholders' equity		7,832,199,177	6,958,317,428
Total liabilities and shareholders' equity		16,151,902,917	14,724,160,068

The accompanying notes form an integral part of these financial statements



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

Notes	Taka	
	2015	2014

Off-Balance Sheet Items

Contingent Liabilities

Acceptances and endorsements	-	-
Letter of guarantees	19,595,943,443	16,635,218,015
Irrevocable letter of credits	1,076,586,029	797,839,354
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	20,672,529,472	17,433,057,369

17

Other commitments

Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other	-	-
Commitments- lease hold assets	-	-
Total other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	20,672,529,472	17,433,057,369

The accompanying notes form an integral part of these financial statements



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India

Bangladesh Operation Domestic Banking Unit Profit and Loss Account

For the year ended December 31, 2015

	Notes	Amount in Taka	
		2015	2014
Operating Income			
Interest income	18.1	577,454,142	636,978,381
Interest paid on deposits and borrowing etc.	19	374,919,235	458,652,342
Net interest income		202,534,907	178,326,039
Investment income	20	538,532,052	666,122,315
Commission, exchange and brokerage	21	693,665,877	482,881,533
Other operating income	22	1,026,391	1,583,487
Total operating income		1,435,759,227	1,328,913,375
Salaries and allowances	23	107,747,840	67,031,774
Rent, taxes, insurance, electricity etc.	24	72,071,327	69,581,689
Legal expenses		2,835,445	2,195,614
Postage, stamps, telecommunication etc.	25	4,233,627	4,557,142
Stationery, printing, advertisement etc.	26	8,719,552	4,806,967
Chief executive's salary & fees		-	-
Directors' fees & expenses		-	-
Auditors' fee	27	345,000	500,000
Charges on loan losses		-	-
Depreciation on and repairs to bank's assets	28	22,900,391	21,662,602
Other expenses	29	124,091,718	80,328,304
Total operating expenses		342,944,900	250,664,091
Profit/(loss) before provisions		1,092,814,327	1,078,249,283
Provision for			
Loans and advances		25,425,343	144,083,366
Provision for diminution in value of investments		-	-
Off balance sheet items		32,394,721	99,272,488
Total provision	30	57,820,064	243,355,854
Profit/(loss) before taxes		1,034,994,263	834,893,429
Provision for Tax			
Current tax expense	13.5	385,000,000	400,074,235
Deferred tax expense/ (income)	13.6	1,183,981	758,981
Total provision for tax		386,183,981	400,833,216
Total profit/(loss) after taxes		648,810,282	434,060,213
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividend etc.		-	-
Retained earnings		648,810,282	434,060,213

The accompanying notes form an integral part of these financial statements



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic Banking Unit
Cash Flow Statement
For the year ended December 31, 2015

	Amount in Taka	
	2015	2014
A. Cash flows from operating activities		
Interest receipts	1,401,005,671	1,213,516,890
Interest payment	(455,887,606)	(483,692,296)
Dividend received	2,855,903	2,855,903
Fees & commissions receipts	642,318,967	435,333,930
Received from loan write off recovery	-	-
Cash payments to employees	(101,669,841)	(64,902,724)
Cash payments to suppliers	-	-
Income tax paid	(260,000,000)	(302,071,675)
Receipts from other operating activities	(637,366)	1,583,487
Payment for other operating activities	(211,112,688)	(166,402,706)
Operating profit/(loss) before changes in operating assets & liabilities	1,016,873,040	636,220,810
Increase/decrease in operating assets & liabilities		
Loans & advances to customers	(90,707,366)	418,294,345
Other assets	(174,972,122)	(275,850,049)
Deposits from customers	613,207,894	125,216,965
Other liabilities	(465,293,888)	(455,534,385)
Cash utilised in operating assets & liabilities	(117,765,482)	(187,873,123)
Net cash from operating activities	899,107,558	448,347,686
B. Cash flows from investing activities		
Payments for purchase of securities	(512,304,178)	(411,777,514)
Investment in prize bond	77,300	301,800
Purchase/sale of property, plant & equipment	(12,305,247)	(9,970,185)
Net cash used in investing activities	(524,532,125)	(421,445,898)
C. Cash flows from financing activities		
Receipts from the capitalization	-	-
Net cash flows from financing activities	-	-
Net increase/decrease in cash	374,575,433	26,901,788
Effects of exchange rate changes on cash & cash equivalent	51,346,910	47,547,603
Cash and cash equivalents at the beginning of year	2,141,581,711	2,067,132,320
Cash and cash equivalents at the end of year (Note- 17.4)	2,567,504,053	2,141,581,711

The accompanying notes form an integral part of these financial statements

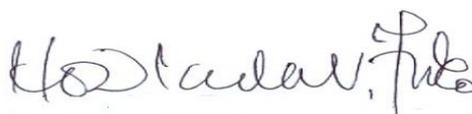


Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic Banking Unit
Statement of Changes in Equity
For the year ended December 31, 2015

(Figures in Taka)

Particulars	Fund deposited with Bangladesh Bank	Other Reserve	Surplus in Profit & Loss Account	Total
Balance as of 01 January 2014	6,462,789,044	42,223,747	453,304,638	6,958,317,428
Adjustment in respect of previous year profit of OBU	-	-	443,219,220	443,219,220
Net profit for the year (DBU)	-	-	648,810,282	648,810,282
Amortisation gain on HTM Securities transferred to P&L	-	(42,223,747)	-	(42,223,747)
Amortisation gain on HTM Securities	-	78,029,831	-	78,029,831
Fund utilised which were kept as Capital	1,067,215,719	-	(1,067,215,719)	-
Fund released which were kept as Capital	(316,378,395)	-	-	(316,378,395)
Excess Provision for Income Tax written back	-	-	62,424,557	62,424,557
Balance as of 31 December 2015	7,213,626,369	78,029,831	540,542,978	7,832,199,177
Balance as of 01 January 2014	4,556,354,048	82,406,044	1,925,679,421	6,564,439,513
Net profit for the year	-	-	-	-
Fund released which were kept as Capital	-	-	434,060,213	434,060,213
Adjustment in respect of previous year profit of OBU	-	-	-	-
Amortisation gain on HTM Securities transferred to P&L	-	(82,406,044)	-	(82,406,044)
Amortisation gain on HTM Securities	-	42,223,747	-	42,223,747
Excess profit remittance tax written back	-	-	-	-
Fund utilised as Capital	1,906,434,996	-	(1,906,434,996)	-
Profit remitted to head office	-	-	-	-
Balance as of 31 December 2014	6,462,789,044	42,223,747	453,304,638	6,958,317,428



Country Head

Signed as per our report of even date



Head of Risk Management Department



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic Banking Unit
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
For the year ended December 31, 2015

(Figures in Taka)

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand	33,878,228	-	-	-	-	33,878,228
Balance with Bangladesh Bank	503,422,473	-	-	-	-	503,422,473
Balance with other bank, Other Banks and financial Institutions (Including foreign currencies)	219,289,052	-	-	-	-	219,289,052
Money at call and on short notice	1,810,000,000	-	-	-	-	1,810,000,000
Investments	914,300	3,401,323,932	1,894,678,385	520,278,471	2,478,331,343	8,295,526,431
Loans and advances	332,719,492	992,727,162	823,802,646	1,011,379,564	1,248,823,549	4,409,452,413
Fixed assets including premises, furniture & fixtures	-	-	-	-	84,231,987	84,231,987
Other assets	-	-	-	-	796,102,333	796,102,333
Non - banking assets	-	-	-	-	-	-
Total Assets	2,900,223,545	4,394,051,094	2,718,481,032	1,531,658,035	4,607,489,212	16,151,902,918
LIABILITIES						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	-	-	-	-	-	-
Convertible subordinated debts	-	-	-	-	-	-
Money at call and on short notice	-	-	-	-	-	-
Deposits & other accounts	2,068,669,459	1,277,872,271	685,054,308	951,056,087	2,015,553,081	6,998,205,206
Provision & Other Liabilities	-	1,204,151	613,713,855	-	8,538,779,706	9,153,697,712
Total liabilities	2,068,669,459	1,279,076,422	1,298,768,163	951,056,087	10,554,332,787	16,151,902,917
Amount of net liquidity difference	831,554,086	3,114,974,672	1,419,712,869	580,601,948	(5,946,843,575)	0

Net result of the Liquidity Statement represents the 'Shareholders Equity' of the Bank.



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India
Bangladesh Operation
Domestic Banking Unit
Notes to Financial Statements
For the year ended 31 December 2015

1. Corporate information

The State Bank of India incorporated in India under the State Bank of India Act 1955. State Bank of India has been operating in Bangladesh since 05 May 1975. It operates its activities through six branches – Two in Dhaka, one in Chittagong, one in Sylhet, one in Rajshahi and in Khulna. Apart from these branches, the bank has two OBU units; one in Dhaka and another in Chittagong.

1.2 Principal activities

The principal activities carried out by the bank include all kinds of commercial banking activities / services to its customers through its branches and electronic delivery channels in Bangladesh. The bank is a foreign bank as per Income Tax Ordinance 1984.

1.3 Capital structure of the Bank

SBI maintained capital in the form of deposit and lien of securities with Bangladesh Bank under section 13(3) of the Bank Company Act, 1991 and presented under the guidelines of BRPD circular No. 14 dated 25 June 2003.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements, namely, Balance Sheet, Profit & Loss Accounts, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosure thereto, are prepared on a going concern basis under historical cost conversion, and in accordance with First Schedule of the Bank Company Act 1991, as amended BRPD circular no. 14 of 25 June 2003.

2.2 Basis of consolidation

A separate set of records for consolidating the Balance Sheet and Profit and Loss Accounts of the branches are maintained at the Country Office of the Bank based on which these financial statements have been prepared.

2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision or future periods, if the revision affects both current and future periods.

2.4 Foreign currency transactions

i. Functional and presentational currency

Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentation currency.

ii. Foreign currency transaction

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per BAS-21 "The effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies at 31 December 2014 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004. Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/ crediting exchange gain or loss account.

2.5 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.5.1 Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Profit and Loss Statement because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of Balance Sheet.

Provision for current income tax has been made @ 42.5% on accounting profit made by the Bank after considering some of the add backs of income and disallowances of expenditure as per Income Tax Ordinance 1984.

2.5.2 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the date of Balance Sheet. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the Profit and Loss Accounts as per BAS 12 "Income Taxes".

2.6 Assets and basis of their valuation

2.6.1 Cash and cash equivalents

Cash and cash equivalents include currency notes and coins on hand, balances held with Bangladesh Bank and most liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank to meet its short term obligations.

2.6.2 Investments

All investments securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accredited, using the effective yield method and are taken to discount income. The valuation method of Marking to Market for investments used are:

2.6.2.1 Held to maturity (HTM)

Investments which have "fixed or determinable payments" and fixed maturity that the group has the positive intent and ability to held to maturity, other than those that meet the definition of 'Held at amortized cost others' are classified as held to maturity. These investment are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium in acquisition. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired as per IAS -39 " Financial Instruments : Recognition and Measurement"

Value of Investments has been shown as under:

Investment Class	Initial Recognition	Subsequent Measurement	Recording of changes
Treasury Bills (HTM)	Cost	Amortized cost	Increased or decreased in value to equity.
Treasury Bonds (HTM)	Cost	Cost	Amortized Gain/ Loss to Revaluation reserve
Prize Bond & Other Bond	Cost	None	None
Unquoted Shares (ordinary)	Cost	Cost	None

2.6.2 Loans and advances

- (a) Interest on loans and advances is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per directives of Bangladesh Bank and such interest is not accounted for as income until realized from borrowers.

- (b) Interest is not charged on bad and doubtful loans and advances from the date of filing money suits against the borrowers.
- (c) Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BCD circular nos. 34 of 16 November 1989, 20 of 27 December 1994 and 12 of 04 September 1995 and BRPD circular nos. 16 of 06 December 1998, 9 of 14 May 2001, 2 of 15 February 2005, 9 of 20 August 2005, 17 of 6 December 2005, 5 of 5 April 2008, 07 of 14 June 2012, 14 of 23 September 2012, 19 of 27 December 2012 and 5 of 29 May 2013 respectively at the following rates:

(i) <u>General provision on unclassified loans and advances</u>	<u>Rate (%)</u>
Standard general loans and advances	1%
Standard Small & Medium enterprise Financing	0.25%
Standard loans to Merchant Banking/BHs/SDs	2%
Standard Housing Finance and loans for professional to set up a	2%
Standard Consumers loan Scheme other than HF and LP	5%
Standard Short term Agri and Micro credit	5%
Special Mention Account general Loans and advances	1%
Special mention account Small & Medium enterprise Financing	0.25%
Special mention account loans to BHs/MBs/Sds	2%
Special mention account HF and LP	2%
Special mention account Consumer's loan scheme other than HF &LP	1%
(ii) <u>Specific provision on classified loans and advances</u>	
Substandard (Agri & Micro credit)	5%
Doubtful (Agri & Micro credit)	5%
Substandard	20%
Doubtful	50%
Bad or Loss	100%

- (d) Loans and advances are written off to the extent that there is no realistic prospect of recovery, and against which legal cases are pending for more than five years as per guidelines of Bangladesh Bank subject to getting approval from Corporate Centre Mumbai. These write offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

2.6.3 Fixed assets and depreciation

a) Recognition

The cost of an item of furniture, fixture and equipments (Fixed assets) shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Furniture, fixture and equipments have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

b) Depreciation

- (i) Depreciable assets are stated at cost less accumulated depreciation.
- (ii) Depreciation has been charged on reducing balance method at the following rates. Depreciation is charged for full year while assets are purchased within first six month of the year and 50% depreciation is charged in case assets. are purchased during the next six months of the year.
- (iii) No depreciation has been charged during the year of disposal.

<u>Category of assets</u>	<u>Depreciation Rate</u>
Furniture & fixture	10%
Office equipment	25%
Computer	25%

c) Sale of fixed assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of BAS 16 Property plant & equipments.

d) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognised as an expenses in the income statement.

e) Others

Useful life and method of depreciation of property plant & equipment are reviewed periodically. As useful lives of assets do not differ significantly from that previously estimated, Bank Management does not consider to revalue its assets by the meantime.

2.6.4 Other Assets

Other assets include all other financial assets and include interest, fees and other unrealised income receivable, Prepaid interest expenses on fixed deposits, advance for operating and capital expenditure, security deposits and stocks of stationery & stamps etc. Provision for other assets is made as per BRPD circular no. 14 of 25 June 2001.

2.7 Retirement benefits to the employees

a) Provident fund

The Bank operates a contributory provident fund for its eligible employees. The Commissioner of Income Taxes, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of Part B of the First Schedule of Income Tax Ordinance 1984. The Fund is administered by a Board of Trustees consisting 3 (three) members and funded by contributions both from employees and Bank @10% of basic salary. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

b) Gratuity

The bank has a gratuity scheme, which covers all of its permanent employees. The gratuity would be payable equivalent to 02 month's last drawn basic salary for each completed year of service to the employees who have been in the service of the Bank for minimum period of 12 years in the Bank (maximum ceiling Tk. 15.00 lac). The company made provision for gratuity during the year as Bangladesh Accounting Standard.

2.8 Revenue recognition

The revenue during the year is recognized as follows which satisfy all conditions of revenue recognition as prescribed by BAS 18 "Revenue".

- (i) Interest is calculated on daily product basis on unclassified loan and advances but charged on a quarterly basis.
- (ii) Interest is charged on classified loans and advances as per Bangladesh Bank's BRPD circular no. 16 of 06 December 1998 and other related circulars and such interest is not taken into income.
- (iii) Dividend income is recognized at the time when right to receive is established.
- (iv) Commission and discount on bills purchased and discounted are recognized at the time of realization.

2.9 Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" under direct method as per guidelines of BRPD circular no. 14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the financial year. It reported cash flows during the period classified by operating activities, investing activities and financing activities.

2.10 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity period of the value of the assets and liabilities as on the reporting date as per the guidelines provided by Bangladesh Bank in BRPD Circular No 14 of 25 June 2003, DOS Circular No 02 of 29 March 2011.

2.11 Statement of changes in equity

Statement of changes in equity is prepared in accordance with BAS-1" Presentation of Financial Statements" and under the guidelines of BRPD circular no.14 dated 25 June 2003.

2.12 Reconciliation of books of account

Books of account in regard to inter bank (inside Bangladesh and outside Bangladesh) and inter branch transactions are being regularly reconciled. The Bank however, formed a task force to take positive steps to eliminate the long outstanding inter branch entries within the shortest period of time.

2.13 Risk Management

The risk of the Bank may be defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 06 core risks i.e. Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk (Balance Sheet Risk), Foreign Exchange Risk and Information Technology Risk. Moreover, Operational Risk, Market Risk, Liquidity Risk, Residual Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. Success or failure of the Bank depends to a great extent on proper identification and minimization of these risks. The prime objective of the risk management is that Bank takes well calculative business risks while safeguarding the Bank's capital, its financial resources and profitability from various risk areas. A separate Risk Management Unit (RMD) has been formed headed by one India Based Officer where all the Chief Executive Officer & Division Heads of Head Office are the members and the Division Head(AVP- R&C), Internal Control & Compliance Division is the member secretary. The Committee is responsible to our Honorable Country Head for compliance and implementation of the decisions. Monthly meeting of Risk Management Department is arranged on regular basis where different risks are discussed and decisions are gradually implemented. Minutes of Risk Management Department meeting along with risk management papers are submitted to Bangladesh Bank on quarterly basis. Yearly Health Report is placed before the Management in which analytical & exhaustive information are highlighted. Yearly summary report on the audit findings are also placed before the Audit committee of the Local Management mentioning & highlighting different incidences and the decisions are implemented by the Bank. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Basel-II accord. Under the second pillar of Basel-II, a Supervisory Review Process (SRP) team has been formed comprising Honorable Chief Executive Officer(Dhaka Branch), Vice President(Operations), Accounts Division, Division Head, Audit Division, Division Head, Credit Administration, Monitoring & Recovery Division, Division Head, International Division and Division Head, Credit Division-I to review, monitor and maintain adequate capital considering all relevant risks. Stress Testing is done on quarterly basis to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital and the report is submitted before the Local Management and to Bangladesh Bank regularly.

As per BRPD Circular no. 11 dated 27 October 2013, a Risk Management Committee of the Board has been formed and the Committee has already started its operation.

a) Credit Risk

Credit risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Credit risk, therefore, arises from the bank's dealing with or lending to corporate, individuals, other banks or financial institutions. A separate Credit Division has been formed at Head Office since the inception of the bank, which is assigned with the duties of marketing and assessment of credit products, maintaining effective relationship with the customer and exploring new business opportunities. In line with Bangladesh Bank guidelines the bank has segregated marketing, approval and monitoring/recovery functions.

The credit risk management includes borrower risk analysis, financial statement analysis, industrial analysis, historical performance of the customer, security of the proposed credit facility and market reputation of the borrower etc. SBI takes its lending decision based on the credit risk assessment report by Appraisal Team. In determining Single Borrowing/Large Loan limit, the instructions of Bangladesh Bank are strictly followed.

b) Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the potential change in earnings arising from the change in market prices. The market directly affects each country's bond, equities, private property, manufacturing and all assets that are available to foreign investors. Foreign exchange rates also play a major role in determining whom finances government deficits, which buy equities in companies and literally affects and influences the economic scenario. Due to high risk market the role of treasury operations is crucial.

As per Bangladesh Bank's guidelines the bank has segregated the Front and Back office for Treasury Operations. Front Office independently conducts the transactions and the Back Office is responsible for verification of the deals and passing of their entries in books of accounts. All Nostro accounts are reconciled on monthly basis and all foreign exchange transactions are revalued at Marked-to-Market rate as determined by Bangladesh Bank.

c) Asset Liability Management

Assets Liability Management is the most important aspect for the Financial Institution to manage Balance Sheet Risk, especially for managing of liquidity risk and interest rate risk. Change in Market Liquidity and interest rate expose bank business to the risk of loss. Failure to identify the risks associated with business and failure to take timely measures in giving a sense of direction may threaten the survival of institution.

As such, it is important that senior management must understand the existence of such risk on the balance sheet and they should ensure that the structure of the banks business and the level of balance sheet risk it assumes are effectively managed and appropriate policies and procedures are established to control and limit these risks, and that resources are available for evaluating and controlling interest rate risk. To address all the risk elements of the balance sheet ALCO meeting was conducted every month in 2010, ATM desk of the bank analyses the balance sheet risk and prepares the monthly ALCO papers as per the guidelines of Bangladesh Bank. By strongly monitoring the maturity gap of assets and Liabilities and interest rate movement, bank is able to maintain optimum liquidity with required regulatory compliances. A policy Guideline on Assets Liability Management has been formulated, approved by appropriate authority of the bank and revised time to time.

d) Prevention of Money Laundering

Money laundering has been identified as a major threat to the financial services community, It is important that the management of Banks and other Financial Institutions view prevention of money laundering as part of their risk management strategies and not simply as a stand-alone requirement that is being imposed by the legislation. The management of SBI is fully aware that the financial system shall not be and cannot be used as a channel for criminal activities. Therefore, co-ordination and co-operation between the concerned parties are essential for its success. The bank has designated Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office and compliance officers at branches to review the transactions of the accounts to identify suspicious transaction Profile (TP) has been incorporated in the Account Opening Form (AOF) along with other KYC related issues.

As per the guidelines; Account Opening Form of our Bank has been redesigned with provision for obtaining particulars of personal identity of customer and transaction profile. The bank has also undertaken enhanced due diligence in case of opening of accounts of Politically Exposed Persons(PEP) as per directive of Bangladesh Bank which is in line with recommendation of Financial Action Task Force of U.N. Anti Money Laundering units have been set up in all the branches under a central unit at Head Office. Basic training has been imparted to all the officers of the Bank on compliance with rules and regulations of Money Laundering Act so as to prevent opening of suspicious accounts and identify suspicious transactions.

e) Internal Control and Compliance

Internal Control and Compliance (ICC) is a critical component of Bank management and foundation for the safe and sound operation of banking organization. A system of strong internal control and compliance can help to ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long-term profitability targets, and maintain reliable financial and managerial reporting. Operational loss may arise from error and fraud due to lack of strong internal control and compliance culture. Effective Internal Control & Compliance system can help to ensure that the bank will comply with laws and regulations as well policies, plans, internal rules and procedures, and decrease the risk of unexpected losses or damage to the bank's reputation.

Internal Control & Compliance Division of the Bank under direct supervision of Audit Committee of the Board has been implementing detail guidelines on ICC risk management to assess and mitigate risks and as part of it the IC & CD has been divided into three (3) independent units; namely:-

- a) Audit & Inspection unit;
- b) Monitoring Unit and
- c) Compliance Unit.

The units have been functioning independently and separately with direct reporting lines to the Head of IC & CD.

In addition, Departmental Control Function Checklist has been introduced in the branches and divisions at Head Office under direct supervision of Monitoring Unit of IC&CD which ensures compliance with regulatory rules and regulations as well as general banking norms and procedures.

Policy guidelines on RISK BASED INTERNAL AUDIT (RBIA) system have been formulated and the branches have already been brought under RBIA networks. As per RBIA, marks have been allocated for rating of the branches in terms of business risk and control risk. The branches scoring higher are being subjected to more frequent audits.

It is a policy of the Bank to put all branches of the Bank under any form of audit four times in a year and IC & CD has been working in that direction. All the activities of the Internal Control & Compliance Division are devoted to address and mitigate operational risks of the Bank in more effective way to ensure efficiency and effectiveness of performance, ensure reliability and completeness of financial and management information and to ensure compliance with legal and regularity requirements.

f) Information technology

State Bank of India, Bangladesh Operation follows the guideline stated in BRPD Circular No. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks" and BRPD Circular No. 21 dated 20 May 2010 "Guideline on ICT Security:

IT management deals with IT policy documentation, internal IT audit, training and insurance.

IT operation management covers the dynamics of technology operation management including change management, asset

In order to ensure that information assets are protected against risk, there are controls over:

We have launched our Internet Banking System using our in-house developed software and we are extending this services to the customers of our all Online Branches.

As approved by the appropriate authority, the establishment of our own ATM Network with 6 ATM Booths across the country. We have already participated in the National Payment Switch as Pilot Bank under supervision of Bangladesh Bank and inaugurated our ATM Debit Card. We have obtained Principal Membership Visa Card. Our ATM card is acceptable in all the VISA ATm Booth and we have not charged any transaction cost if the card is use in other Bank's ATM Booth.

We have successfully implemented Bangladesh Automated Clearing House (BACH) and Bangladesh Electronic Fund Transfer System (BEFTN), Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank.

We have established our website www.sbibd.com where from the visitors can get information about our products, charge schedule, career opportunities, procurement notices and present status of our bank. The website is updated periodically and also as and when required. Communication through email among our Branches, Country Office and different Divisions of Country Office under our own Mail Server at IT Division, Country Office has become quick and easier.

To ensure proper training to our officials, Information Technology Division arranged need based hands on training program at our Computer Lab daily in addition to training/workshop arranged at Country Office Conference Room through Video Conference throughout the year. During the year 2014, we conducted 17 training programs at our Computer Lab on 7 (seven) different Topics/Modules covering 42 participants and 2 (two) Workshop on General Banking Practices and related IT Operations through Video Conference covering 24 participants from Branches/Country Offices across the country.

2.14 Disclosure on fraud and forgeries committed by bank employees:

No fraud occurred during the period

2.15 Off-balance sheet items

Under general banking transactions, liabilities against acceptance, endorsement and other obligations and bills against which acceptances have been given and claims exist there against, have been shown as off-balance sheet items.

2.16 Offsetting

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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability substantially.

2.17 Interest paid and other expenses

In terms of the provisions of BAS 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.18 Reporting period

These financial statements cover one calendar year from 01 January 2014 to 31 December 2014.

2.19 Number of employees

The number of employees employed in the Bank as on 31 December 2014 was 111, of which 93 were male and 18 were female. The number of employees per branch was 15.16 excluding 20 employees in the Country office of the Bank.

2.20 Provision for liability

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.21 Events after reporting period

In terms of provision of BAS 10 "Events after Reporting period "no material events have occurred after balance sheet date which could affect the values reported in the financial statements, except declaration of dividend, if any.

2.22 BASEL II implementation

The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as 'Basel II'. The new guideline is structured around three pillars: (i) minimum capital requirement (on credit risk, market risk and operation risk), (ii) supervisory review process and (iii) market discipline. Implementation of Basel II framework in Bangladesh will integrate the risk management process of the Bank and its capital adequacy requirement. Bangladesh Bank has formed a Committee and Coordination Committee for implementation of BASEL II in Bangladesh. As per the Committee decision BASEL II has been fully implemented in Bangladesh from January 2011. The Committee has indicated that following methodology of BASEL II would be followed in Bangladesh:

- I. Standardized method for credit and market risk.
- II. Basic indicator approach for operational risk.
- III. Internal Ratings Based for credit risk has been applied from 2012 where prior permission from Bangladesh Bank would be required.

The Committee has suggested for continuous training of the officers and employees of the banks for capacity building and formation of an implementation team. Implementation team would remain responsible for overall supervision of BASEL II implementation in their banks. It has also suggested that the board of directors should also remain updated on the issue.

Accordingly, the Bank has formed BASEL II implementation team and is providing training to senior management, credit officers and managers of the Bank. BASEL II implementation team has been regularly monitoring and to give various suggestion/instruction regarding implementation of the above three pillars.

2.23 Training

In implementation of the human resources development strategy, the Bank sent its employees to different training organizations to build up professionals with technical, human and conceptual skills. This is focused to ensure a formal platform where employees can exchange their ideas, update their knowledge base, open up their eyes to the complexities of banking world.

During the year 2014, the training institute of the Bank has arranged a total of 40 training courses, seminars and workshops mostly conducted by the internal resource persons with 1549 participants. The objectives of designing all training programmes are to bridge the gap between present level of competence and the required level of competence.

2.24 Audit committee

An audit committee was constituted by the Board of Directors of State Bank of India, Bangladesh Operation in its 23rd meeting held on March 02, 2003. Subsequently, the Board of directors in its 91st meeting held on May 14, 2008 reconstituted the Audit Committee as under:

Name	Status in the Bank	Status in the committee	Educational Qualification
Pranay Ranjan Dwivedi	HRMU	Chairman	M.A, CAIIB, Diploma in Business
M.C.Datta	VP(Ops)	Member	B. Sc
P.K.Bhowmic	VP(Credit)	Member	MBA (IBA)
Mohammad Masudul Amin	SAVP(R&C)	Member	MBA (Finance), MBM

During the year, the Audit Committee of the Board conducted 6 (Six) meetings in which among others, the following issues were discussed:

Facts

- Discuss the Inspection report of Bangladesh Bank on Foreign trade & foreign exchange of Gulshan Branch.
- Discuss the audit report of different Head Office departments and Branches conducted by the Bank's internal audit team from time to time.
- Discuss the Enterprise Risk Management Report that prepared and conducted by ERM team.
- Discuss the fraud/forgeries & operational loss report.
- Review the position of reconciliation with other bank and Nostro Account.
- Review the status of the Special Mentioned Account (SMA) and Bad/Loss loan.
- Review the position of reconciliation with other bank and Nostro Account.
- Reviewing the Anti money laundering policy of the Bank.

2.25 Credit Rating of the Bank

Credit rating of the Bank of last four years are shown below-

Sl.	Year	Rating Agencies	Long Term	Short Term
1	Jan to Dec 2014	ALPHA	AA-	AR-2
2	Jan to Dec 2013	CRISL	AA-	ST-2
3	Jan to Dec 2012	CRISL	AA+	ST-2
4	Jan to Dec 2011	CRISL	AA	ST-2
5	Jan to Dec 2010	CRISL	AA	ST-2
6	Jan to Dec 2009	CRAB	AA3	ST-2

2.26 Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year for the purpose of comparison with current year's presentation, without any impact on.

2.27 Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

2.28 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

2.29 Statement of compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, [the Securities and Exchange Rules 1987]. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

i) Investment in shares and securities

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

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

ii) Revaluation gains/losses on Government securities

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

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

iii) **Provision on loans and advances/investments**

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

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) **Recognition of interest in suspense**

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

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

v) **Other comprehensive income**

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

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

vi) **Financial instruments – presentation and disclosure**

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

vii) **Cash and cash equivalent**

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

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

viii) **Non-banking asset**

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

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

ix) **Cash flow statement**

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

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

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

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

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

xi) **Presentation of intangible asset**

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

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

xii) **Off-balance sheet items**

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

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

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

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

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

2.30 Compliance Status with BFRS and BAS

Sl.	Bangladesh Accounting Standards (BASs)	Reference	Status
1	Presentation of Financial Statements	BAS 1	Complied
2	Inventories	BAS 2	Not Applicable
3	Statement of Cash Flows	BAS 7	Complied
4	Accounting Policies, Changes in Accounting Estimates and Errors	BAS 8	Complied
5	Events after the Reporting Period	BAS 10	Complied
6	Construction Contracts	BAS 11	Not Applicable
7	Income Taxes	BAS 12	Complied
8	Property, Plant and Equipment	BAS 16	Complied
9	Leases	BAS 17	Not Applicable
10	Revenue	BAS 18	Complied
11	Employee Benefits	BAS 19	Complied
12	Accounting for Government Grants and Disclosure of Government Assistance	BAS 20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	BAS 21	Partially Complied
14	Borrowing Costs	BAS 23	Complied
15	Related Party Disclosures	BAS 24	Complied
16	Accounting and Reporting by Retirement Benefit Plans	BAS 26	Not Applicable
17	Separate Financial Statements	BAS 27	Not Applicable
18	Investments in Associates and Joint Ventures	BAS 28	Not Applicable
19	Financial Reporting in Hyperinflationary Economies	BAS 29	Not Applicable
20	Financial Instruments: Presentation	BAS 32	Complied
21	Earnings per Share	BAS 33	Not Applicable
22	Interim Financial Reporting	BAS 34	Not Applicable
23	Impairment of Assets	BAS 36	Complied
24	Provisions, Contingent Liabilities and Contingent Assets	BAS 37	Complied
25	Intangible Assets	BAS 38	Not Applicable
26	Financial Instruments: Recognition and Measurement	BAS 39	Complied
27	Investment Property	BAS 40	Not Applicable
28	Agriculture	BAS 41	Not Applicable

Sl.	Bangladesh Financial Reporting Standard (BFRS)	Reference	Status
1	First-time Adoption of International Financial Reporting Standards	BFRS 1	Not Applicable
2	Share-based Payment	BFRS 2	Not Applicable
3	Business Combinations	BFRS 3	Not Applicable
4	Insurance Contracts	BFRS 4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	BFRS 5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	BFRS 6	Not Applicable
7	Financial Instruments: Disclosures	BFRS 7	Partially Complied
8	Operating Segments	BFRS 8	Not Applicable
9	Consolidated Financial Statements	BFRS 10	Not Applicable
10	Joint Arrangements	BFRS 11	Not Applicable
11	Disclosure of Interests in Other Entities	BFRS 12	Not Applicable
12	Fair Value Measurement	BFRS 13	Partially Complied

2.31 General disclosure

2.31.1 Claim not acknowledged as debt

There was no claim against the bank not acknowledged as debt as on 31 December 2014.

2.31.2 Number of employees

The number of Employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk.36,000 or above were 111 (2012:117).

2.31.3 Post balance sheet events

There was no significant post balance sheet events occurred.

2.31.4 Coverage of external audit

The external auditor of the Bank, M/s HOWLADAR YUNUS & CO. Chartered Accountants worked about in excess of 3,040 man hour at Country Office, 6 Branches and 2 Off-shore Banking Units. During their audit, above 80% of the Bank's risk weighted assets were reviewed as on the Balance Sheet date.

		Amount in Taka	
		2015	2014
3	Cash		
	Cash in hand		
	Local currency	27,881,741	22,801,499
	Foreign currency	3,948,287	8,185,354
	ATM cash balance	2,048,200	1,103,500
		33,878,228	32,090,353
	Balance with Bangladesh bank and its agent bank(s)		
	Local currency	478,163,869	551,103,167
	Foreign currency	25,258,604	103,143,778
		503,422,473	654,246,945
	Sonali Bank as agent of Bangladesh Bank (local currency)	-	-
		537,300,701	686,337,298
3.1	Local currency		
	Lien with Bangladesh Bank	-	-
	Free Balance with Bangladesh Bank	478,163,869	551,103,167
		478,163,869	551,103,167
3.2	Statutory deposits		
	The Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) are maintained as per BRPD Circular No. 11 & 12 dated 25 August 2005, MPD circular No. 01 dated 23 June 2014 & MPD circular no. 02 dated 10 December 2013. Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) and deposits there against with Bangladesh Bank at 31 December 2015 are as follows:		
3.2.1	Cash Reserve Requirement (CRR)		
	i. Daily Bank's CRR maintenance		
	Required reserve (6% of total time & demand liabilities)	420,714,516	478,816,490
	Actual reserve maintained	465,391,000	538,721,000
	Surplus/ (deficit)	44,676,484	59,904,510
	Maintained(%)	6.64%	6.75%
	ii. Bi- Weekly bank's CRR maintenance		
	Required reserve (6.50% of total time & demand liabilities)	455,774,059	518,717,860
	Actual reserve maintained	465,391,000	538,721,000
	Surplus/ (deficit)	9,616,941	20,003,140
	Maintained(%)	6.64%	6.75%
3.2.2	Statutory Liquidity Reserve (SLR)		
	Required reserve (19% of total time & demand liabilities)	911,664,000	1,037,435,720
	Actual reserve maintained	8,248,360,950	7,785,274,540
	Surplus/ (Deficit)	7,336,696,950	6,747,838,820
	Maintained(%)	117.62%	102.5%
4	Balance with other banks and financial institutions		
	Inside Bangladesh	28,755,594	13,645,219
	Outside Bangladesh (Details are shown in annexure A)	190,533,458	50,607,594
		219,289,052	64,252,813
4.1	Balance with other banks and financial institutions (Inside Bangladesh)		
	On demand deposit accounts (Current cccount)		
	Uttara Bank	7,842,138	4,378,756
	Sonali Bank	70,892	70,667
	Pubali Bank	11,207	3,276,267
		7,924,237	7,725,690
	On Short Term Deposit (STD) Accounts		
	Uttara Bank	9,559,303	2,115,912
	Standard Chartered Bank-ATM Visa Domestic Settlement A/C	11,272,054	3,803,617
		20,831,357	5,919,529
		28,755,594	13,645,219

Amount in Taka	
2015	2014

4.2 Balance with other banks and financial institutions (Outside Bangladesh)

On demand deposit accounts (Non interest bearing)

State Bank of India, West Germany(FI)	67,221,821	15,588,913
State Bank of India, London	733,534	464,742
State Bank of India, New York	24,860,865	7,539,084
State Bank of India, Japan	175,400	174,622
	92,991,620	23,767,361

On demand deposit accounts (Interest bearing)

Standard Chartered Bank, Karachi Branch	-	-
Deutsche Bank, Mumbai	-	-
JP Morgan Chase Bank	67,701,901	14,143,158
ACU Dollar Nostro a/c	12,471,479	2,629,470
Wachovia Bank	-	-
Bank of America	8,542,418	6,189,501
Deutsche Bank Trust Company, New York	8,826,040	3,878,105
	97,541,838	26,840,233
	190,533,458	50,607,594

4.3 Foreign currency wise break-up

Currency name	Amount in FC	Conversion Rate		
US Dollar	1,559,767	78.4750	122,402,704	34,379,317
Great Britain Pound	6,305	116.3465	733,534	464,742
EURO	783,668	85.7784	67,221,821	15,588,913
Japanese Yen	268,072	0.6543	175,400	174,622
			190,533,458	50,607,594

5 Money at call and short notice

Banking company

Jamuna Bank Limited	-	230,000,000
Dhaka Bank Limited	350,000,000	-
Commercial Bank of Ceolon	-	210,000,000
Bank Asia Limited	150,000,000	230,000,000
One Bank Limited	-	70,000,000
Brac Bank Limited	370,000,000	120,000,000
NCC Bank Limited	370,000,000	150,000,000
The City Bank Limited	370,000,000	150,000,000
Trust Bank Limited	200,000,000	230,000,000
	1,810,000,000	1,390,000,000

5.1 Maturity grouping of money at call and short notice

Up to 1 month	1,810,000,000	1,390,000,000
More than 1 month to 3 month	-	-
More than 3 month to 1 Year	-	-
More than 1 year to 5 years	-	-
More than 5 years	-	-
	1,810,000,000	1,390,000,000

6 Investments

Government Securities	(Note: 6.1)	8,292,387,541	7,783,299,552
Other Investments	(Note: 6.2)	3,138,890	3,138,890
		8,295,526,431	7,786,438,442
Off-shore Banking Unit		-	-
		8,295,526,431	7,786,438,442
Investment in securities are classified as follows:			
Held for trading		-	-
Held to maturity		8,292,387,541	7,783,299,552
Other Investments		3,138,890	3,138,890
		8,295,526,431	7,786,438,442

Treasury bills and treasury bonds amounting Tk.721.36 crore has been pledged with Bangladesh Bank for Capital Purpose. Details of investments are given in Annexure- F)

		Amount in Taka	
		2015	2014
6.1	Government securities		
	Treasury bill		
	30 day Treasury bills	2,024,452,570	-
	91 day Treasury bills	1,376,871,362	2,806,306,560
	182 day Treasury bills	199,866,747	1,416,574,453
	364 day treasury bills	1,694,811,638	307,993,851
		5,296,002,317	4,530,874,865
	Treasury bond		
	2 year Treasury Bonds	3,500,149	12,881,139
	5 year Treasury Bonds	516,778,322	743,773,140
	10 year Treasury Bonds	1,502,675,099	1,155,921,128
	15 year Treasury Bonds	614,427,509	421,421,888
	20 year Treasury Bonds	358,089,844	917,435,793
		2,995,470,924	3,251,433,088
	Prize bonds	914,300	991,600
		8,292,387,541	7,783,299,552
6.2	Other investments		
	Shares of Central Depository Bangladesh Limited (CDBL)		
	Particulars	No of Shares	
	Initial investment @ Tk.10	200,000	2,000,000
	Purchase of Right share @ Tk.10	113,889	1,138,890
	Bonus share @ Tk.10	828,472	-
		1,142,361	3,138,890
6.3	Maturity wise grouping of investment (Other than CDBL Shares)		
	Payable on demand	914,300	991,600
	Below three months	3,401,323,932	4,222,881,014
	Over three months but below one year	1,894,678,385	307,993,851
	Over one year but below five years	520,278,471	756,654,279
	Over five years	2,475,192,453	2,494,778,809
		8,292,387,541	7,783,299,552
7	Loans and advances		
	a. Loans, Cash Credits, Overdrafts etc.:		
	Overdrafts	664,427,598	678,473,521
	Demand loans	661,560	788,850
	Telecommunication	1,000,000,000	-
	Cash credit	1,569,206,923	1,306,625,950
	House building loan	107,840,199	144,475,421
	Transport loan	856,524,409	705,973,651
	Term loans	73,769,963	980,103,340
	Loan against trust receipts		33,930,424
	Agricultural loan	100,000,000	102,906,000
	Staff loans	(Note - 7.6) 31,648,000	35,540,001
		4,404,078,651	3,988,817,159
	b. Bills purchase & discount	(Note - 7.15) 5,373,762	38,833,728
	Total: (a+b)	4,409,452,413	4,027,650,887
7.1	Net loans and advances		
	Gross loans and advances	4,409,452,413	4,027,650,887
	Less:		
	Interest suspense	41,841,539	98,673,668
	Provision for loans & advances	672,112,981	851,842,901
		713,954,520	950,516,568
		3,695,497,893	3,077,134,319
7.2	Maturity wise grouping of loans and advances		
	Repayable on demand	332,719,492	303,910,289
	More than 1 months to 3 months	992,727,162	906,769,835
	More than 3 months to 1 Year	823,802,646	752,471,996
	More than 1 year to 5 years	1,011,379,564	923,807,179
	More than 5 years	1,248,823,549	1,140,691,588
		4,409,452,413	4,027,650,887

7.3 Loans and advances under the following broad categories

	Amount in Taka	
	2015	2014
Inside Bangladesh		
Term Loans	1,038,134,570	1,263,024,762
Cash Credits	2,669,868,483	2,086,152,603
Overdrafts	669,801,360	678,473,521
	4,377,804,413	4,027,650,887
Outside Bangladesh		
Term Loans	-	-
Cash credits	-	-
Overdrafts	-	-
	4,377,804,413	4,027,650,887

7.4 Geographical location wise portfolio grouping

Inside Bangladesh		
Dhaka Division	3,306,460,018	2,594,684,758
Chittagong Division	957,667,250	1,297,260,701
Sylhet Division	113,568,008	111,307,034
Khulna Division	24,290,659	11,923,491
Rajshahi Division	7,466,478	12,474,902
	4,409,452,413	4,027,650,887

* Our 6 (six) branches are located in urban areas . However, as we have obtained approval to open new branches in Bangladesh, we shall increase our loans and advances portfolio in rural areas of the country as well.

7.5 Significant concentration wise grouping

Staff		
Managing Director & CEO	-	-
Senior Executives	9,494,400	10,662,325
Others	22,153,600	24,877,676
	31,648,000	35,540,001
Industries		
i) Agricultural and Jute	127,268,584	102,906,000
ii) Readymade garments	160,909,489	139,105,479
iii) Textile	13,015,022	128,014,902
iv) Food & allied	-	7,648,689
v) Chemical	-	79,400,000
vi) Cement	82,337,049	88,700,000
vii) Rubber, Plastic, Printing Publishing & allied Industries	16,128,781	18,100,000
viii) Metal Products & Steel	-	114,400,000
ix) Petroleum & Coal Products	-	547,597
x) IT based	69,916,493	-
xi) Other	1,026,669,948	161,106,035
	1,496,245,365	839,928,703
Infrastructural		
i) Power	-	10,076,667
ii) Construction	120,870,813	315,140,105
iii) Transport	856,524,409	705,973,651
iv) Feed	-	38,622,429
v) Others	580,752,668	466,937,777
	1,558,147,889	1,536,750,630
Consumers		
i) Commercial lending	-	35,369,000
ii) Export financing	-	33,930,424
iii) House building loan	107,840,199	144,475,421
iv) Small and medium enterprise	745,089,136	797,031,000
v) Non-banking financial institutions	-	76,197,911
vi) Others	470,481,823	528,427,796
	1,323,411,158	1,615,431,553
	4,409,452,413	4,027,650,887

	Amount in Taka	
	2015	2014
7.6 Staff loan		
Overdraft Loan	12,235,318	17,251,480
Car and motorcycle loan	1,858,500	273,599
House building Loan	17,554,182	18,014,922
	31,648,000	35,540,001
7.7 Detail of large loan		
Total capital of the Bank was Taka 8022.30 million as at 31 December 2015 (Taka 7236.24 million at 31 December 2014 respectively). Number of clients with amount outstanding and classification status to whom loans and advances sanctioned exceeds 10% of the total capital of the Bank are shown in Annexure - B.		
7.8 Grouping as per classification rules		
Unclassified		
Standard including staff loan	3,832,356,004	3,013,950,741
Special Mention Account (SMA)	5,630,000	-
	3,837,986,004	3,013,950,741
Classified		
Sub standard	5,952,388	179,039,848
Doubtful	-	-
Bad / Loss	565,514,021	834,660,297
	571,466,409	1,013,700,146
	4,409,452,413	4,027,650,887
7.9 Loan type wise total loan		
Overdraft	669,801,360	678,473,521
Demand Loan	661,560	788,850
Term Loan	1,038,134,570	1,263,024,762
Cash Credit	2,669,206,923	2,085,363,753
	4,377,804,413	4,027,650,887
7.10 Sector-wise allocation of loans and advances		
Agriculture, fishing, forestry and dairy firm	127,268,584	102,906,000
Industry (jute, textile, garments, chemicals, cements etc.)	1,368,976,781	737,022,703
Working capital financing	1,406,106,999	1,411,537,748
Export credit	-	33,930,424
Commercial credit	-	35,369,000
Small and cottage industries	745,089,136	797,031,000
Miscellaneous	730,362,912	909,854,011
	4,377,804,413	4,027,650,887
7.11 Securities against loans/advances including bills purchase and discount		
Collateral of moveable/immoveable assets	2,718,152,493.23	2,672,305,294.88
Nonbanking financial institutions guarantee	178,097,839.13	175,712,000.63
Local banks/foreign banks guarantee	361,606,644.52	303,920,949.22
Export documents	5,373,761.62	45,870,183.77
Cash and quasi cash	179,998,679.53	165,601,697.30
Personal guarantee	423,123,890.70	389,280,825.02
Other securities	511,451,104.31	274,959,936.15
	4,377,804,413	4,027,650,887

Amount in Taka	
2015	2014

7.12 Particulars of required provision for loans and advances

Provision required for unclassified loans and advances

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2015	Required provision December 2014
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing & loans for professional)	3,209,788,523	3,209,788,523	1%	32,097,885	22,938,428
Small & Medium enterprise financing	495,494,920	495,494,920	0.25%	1,238,737	1,454,658
Housing & loan for professional	86,438,276	86,438,276	2%	1,728,766	1,824,494
Consumer finance	8,986,285	8,986,285	5%	449,314	573,997
Special Mentioned Account	5,630,000	5,630,000	1%	56,300	-
Staff Loan	31,648,000	31,648,000	0%	-	-
Total	3,837,986,004	3,837,986,004	N/A	35,571,002	26,791,578

Provision required for off-balance sheet items (General Provision)

Name of Exposure	Outstanding	Rate (%)	Required provision December 2015	Required provision December 2014
Acceptances and endorsements	-	1%	-	-
Letter of guarantees	19,595,943,443	1%	195,959,434	166,352,180
Irrevocable letter of credits	1,076,586,029	1%	10,765,860	7,978,394
Total	20,672,529,472	1%	206,725,295	174,330,574

Total required provision for unclassified assets (including off-balance sheet items)	242,296,297	201,122,152
Provision maintained for unclassified assets (including off-balance sheet items)	243,596,507	205,069,855
Excess/(Short) provision at 31 December 2015	1,300,210	3,947,703

Provision required for classified loans & advances (Specific provision)

Status	Outstanding	Base for provision	Rate	Required provision December 2015	Required provision December 2014
Sub-standard	5,952,388	892,858	20%	178,572	26,077,641
Doubtful	-	-	50%	-	-
Bad/Loss	565,514,021	379,830,875	100%	379,830,875	585,126,109
Total	571,466,409	380,723,733	N/A	380,009,446	611,203,751

Total provision maintained for classified assets:	380,009,446	611,203,751
Sub Standard	178,572	36,717,762
Doubtful	-	-
Bad/loss	428,516,473	610,055,285
	428,695,045	646,773,046

Excess/(Short) of provision	48,685,599	35,569,296
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		Amount in Taka	
		2015	2014
7.13	Particulars of loans and advances		
i)	Debts considered good in respect of which Bank is fully secured	3,283,353,310	3,020,738,165
ii)	Debts considered good for which Bank holds no other security than the debtor's personal security	731,796,281	673,264,418
iii)	Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	362,654,822	333,648,304
iv)	Debts adversely classified; for which no provision is created	-	-
		4,377,804,413	4,027,650,887
v)	Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons	-	-
vi)	Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or in case of private companies as members	-	-
vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	-	-
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members	-	-
ix)	Due from banking companies	-	-
x)	Amount of Classified loans on which interest has not been charged should be mentioned as follows:	-	-
a)	Increase/ decrease of provision (specific) amount of debts written off amount realized against loan previously written off	2,489,502	-
b)	Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	428,516,473	610,055,285
c)	Interest creditable to the Interest Suspense a/c	41,841,539	98,673,668
xi)	Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned	-	-
	- Current year	-	-
	- Cumulative to date	-	-
	The amount of written off loans for which law suit filed		
7.14	Suit filled by the bank (branch wise)		
	Dhaka Region	247,399,886	283,017,980
	Chittagong Region	685,390,107	692,855,032
	Sylhet Region	31,413,654	37,827,133
		964,203,647	1,013,700,146
7.15	Bill Purchased & discounted under the following		
	Inside Bangladesh	5,373,762	38,833,728
	Outside Bangladesh	-	-
		5,373,762	38,833,728
7.16	Maturity wise grouping of bill purchased & discounted		
	Payable within 1 month	-	-
	Over 1 month but less than 3 months	-	-
	Over 3 months but less than 6 months	-	-
	6 months and more	5,373,762	38,833,728
		5,373,762	38,833,728
7.17	Write off of loans & advances		
	Balance at the beginning of the year	156,548,954	19,650,813
	Add: Write off during the year	291,094,160	136,898,141
		447,643,114	156,548,954
	Less: Recovery of Write off loans	2,489,502	-
		445,153,612	156,548,954

		Amount in Taka	
		2015	2014
8	Fixed assets including premises, furniture and fixtures		
	A. Cost		
	Opening balance	174,558,316	169,153,823
	Add: Addition during the year	32,415,431	9,970,185
		<u>206,973,747</u>	<u>179,124,008</u>
	Less: Disposal/adjustment during the year	5,682,027	4,565,692
		201,291,720	174,558,316
	B. Accumulated Depreciation		
	Opening balance	102,631,576	80,778,772
	Add: Charged during the year	18,446,427	17,287,112
		<u>121,078,003</u>	<u>98,065,884</u>
	Less: Disposal/adjustment during the year	4,018,270	(4,565,692)
		117,059,733	102,631,576
	Written down value (A-B)	84,231,987	71,926,740
	(Details are given in Annexure- C)		
9	Other assets		
	Income generating other assets		
	Interest receivable on treasury bond	119,459,995	163,406,032
	Dividend receivable From CDBL	2,855,903	-
	Interest receivable on Call Money	1,235,995	917,454
		<u>123,551,892</u>	<u>164,323,486</u>
	Non-income generating other assets		
	Stationery, stamps, printing materials etc.	1,961,110	2,650,009
	Advance rent and advertisement	39,579,286	58,122,654
	Memento Coin	154,000	154,000
	Deferred Expenses	-	-
	Excise duty	1,978,209	2,363,130
	Inter Branch lending (FC)	368,877,836	467,022,145
	Advance Payment of Income Tax	260,000,000	-
	ISO Reconciliation	-	350,577
	Receivables from OBU	-	2,567,887
		<u>672,550,441</u>	<u>533,230,402</u>
		796,102,333	697,553,888
10	Non-banking assets		
	No-non-banking assets is under the possession of the bank which acquired as claims. State Bank of India, Bangladesh Operation was not acquired any such assets as on 31 December 2015.		
11	Borrowings from other banks, financial institutions & agents	-	-
12	Deposit and other accounts		
	Local currency		
	Current & other accounts	1,506,590,646	1,168,966,129
	Bills payable	24,428,492	29,211,898
	Saving deposits	464,115,751	454,108,015
	Fixed deposits	3,815,822,651	3,815,388,433
	Short term deposit	639,525,461	363,607,161
	Other deposits	12,750,851	254,777,143
		<u>6,463,233,852</u>	<u>6,086,058,778</u>

	Amount in Taka	
	2015	2014
Foreign currency		
Current & other accounts	172,036,523	212,268,652
Other deposits	362,934,831	86,669,882
	534,971,353	298,938,534
	6,998,205,206	6,384,997,311

12.1 Deposit details concentrating liquidity nature

i) Demand deposit

Current deposit	1,506,590,646	1,168,966,129
Saving deposit (9%)	46,411,575	45,410,801
Foreign currency deposit	172,036,523	212,268,652
Short term deposit	216,286,130	138,294,047
Other demand deposit-local currency	12,750,851	254,777,143
Other demand deposit-foreign currency	362,934,831	86,669,882
	2,317,010,556	1,906,386,653

ii) Time deposit

Saving deposit (91%)	417,704,176	408,697,213
Fixed deposit	3,815,822,651	3,815,388,433
Foreign currency deposit	-	-
Short term deposit	447,667,823	254,525,013
	4,681,194,650	4,478,610,658
	6,998,205,206	6,384,997,311

12.2 Maturity wise grouping of deposits

Payable on demand	-	-
Payable within 1 month	2,068,669,459	2,010,802,650
Over 1 month but within 3 months	1,277,872,271	1,129,900,244
Over 3 month but within 1 year	685,054,308	376,457,058
Over 1 year but within 5 years	951,056,087	986,113,091
Over 5 years	2,015,553,081	1,881,724,269
	6,998,205,206	6,384,997,311

13 Other liabilities

Foreign Currency claims received accounts	-	-
Fixed Deposit interest account	66,057,758	85,089,388
Provision on loans and advances (Note-13.1)	672,112,981	851,842,901
Interest Suspense's Account (Note-13.3)	41,841,539	98,673,668
Withholding tax payable (payable on interest) (Note-13.4)	-	1,196,245
Provision for current taxation (Note-13.5)	517,482,674	98,813,102
Provision for deferred tax (Note-13.6)	(7,762,116)	(8,946,097)
Inter branch adjustment account	1,204,151	55,215
Foreign Currency Margin on Guarantee Account	-	1,132,038
Short Term Deposit Interest Account	2,766,374	-
ACU EURO Account	-	80,919,915
Provision for gratuity	-	27,277,600
Provision for audit fees	388,125	388,125
Payable to OBU	-	123,074,180
Other Provision	27,407,049	21,329,050
	1,321,498,535	1,380,845,329

13.1 Provision for loans and advances

Provision for loans and advances is created for covering the bank for possible loan losses in the future. General provision is made on outstanding loans and advances without considering the quality of loans and advances according to the prescribed rate of Bangladesh Bank. Classified loans and advances of the banks are categorized as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Provisions are made for NPAs as per the extant guidelines prescribed by Bangladesh Bank and RBI guideline which one is more stringent.

a. General (13.2)

Balance at the beginning of the year	205,069,855	107,975,211
Add: Provision made during the year	38,526,652	97,094,644
	243,596,507	205,069,855

		Amount in Taka	
		2015	2014
b. Specific			
	Balance at the beginning of the year	646,773,046	638,908,577
	Add: Provision made during the year	22,048,839	146,261,210
	Less: Recoveries and provision no longer required	-	19,200,000
	Less: Write off during the year	240,305,412	119,196,741
		428,516,473	646,773,046
Net actual provision at the end of year (a+b)		672,112,981	851,842,901
13.2 General Provisions for STD and off balance sheet items			
Provision for off-balance sheet items is made as per BRPD circular No. 8 of 7 August 2007 and 18 September 2007 for covering the bank for possible losses on off-balance sheet items in the future. Provision amount is included in the General Provision for standard assets. Details movement of provision for Off-balance sheet items is as follows:			
a. General Provision for Loans & Advance			
	Balance at the beginning of the year	30,739,281	-
	Add: Provision made/ (adjusted) during the year	6,131,931	30,739,281
	Sub-total	36,871,212	30,739,281
b. General Provision for Off Balance Sheet Exposure			
	Balance at the beginning of the year	174,330,574	75,058,086
	Add: Provision made/ (adjusted) during the year	32,394,721	99,272,488
	Sub-total	206,725,295	174,330,574
	Total General Provision (a+b)	243,596,507	205,069,855
13.3 Interest suspense		(0)	(0)
Classified loans and advances of the banks are categorised as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Interest accrued on Sub-Standard (SS), doubtful and bad/loss loans is recorded as 'interest suspense' and not taken to income. This interest is recognized as income as and when it is realized in cash by the bank.			
	Balance at the beginning of the year	98,673,668	135,636,098
	Add: Amount transferred during the year	-	-
		98,673,668	135,636,098
	Less: Amount of interest suspense recovered	6,043,381	19,261,030
	Less: Write off during the year	50,788,748	17,701,400
	Less: Interest waiver during the year	-	-
		41,841,539	98,673,668
13.4 Withholding tax payable (Payable on interest)			
	Balance at the beginning of the year	1,196,245	562,210
	Add: Addition during the year	51,708,649	63,231,804
		52,904,893	63,794,014
	Less: paid during the year	52,904,893	62,597,769
		-	1,196,245
13.5 Provision for current taxation			
Provision for Income Tax has been made according to the Income Tax Ordinance, 1984. During the year, an amount of Tk.382,376,821 has been provided for current Income Tax.			
	Balance at the beginning of the year	98,813,102	400,884,777
	Add: Provision made during the year	385,000,000	400,074,235
		483,813,102	800,959,012
	Less: Adjustment of tax provision for previous years	(62,424,557)	400,884,777
	Less: Adjustment with adv tax	28,754,986	301,261,133
		-	-
		517,482,673	98,813,102
Details are in Annexure-D			
13.6 Deferred tax liability/ (Asset)			
Deferred tax is provided using the liability method for timing differences arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12.			
	Opening balance	(8,946,097)	(9,705,078)
	Add: Deffered Tax Expense/ (Income) during the year	1,183,981	758,981
		(7,762,117)	(8,946,097)

	Amount in Taka	
	2015	2014
14 Fund deposited with Bangladesh Bank		
Securities lien with Bangladesh Bank	7,213,626,369	6,462,789,044
Current Account balance lien with Bangladesh Bank	-	-
	7,213,626,369	6,462,789,044

SBI maintained capital in the form of deposit and lien of securities with Bangladesh Bank under section 13(3) of the Bank Company Act, 1991 and presented under the guidelines of BRPD circular No. 14 dated 25 June 2003. Details of securities lien with Bangladesh Bank is shown in Annexure-F.

14.1 Capital adequacy as per Basel - II

Bangladesh Bank through BRPD Circular No. 09 dated 31.12.2008 has instructed to all Scheduled Banks to follow Capital Requirement rules on the basis of Risk Weighted Assets and revised Risk Based Capital Adequacy Framework in line with Basel II. Subsequently, Bangladesh Bank through BRPD Circular No. 24 dated 03.08.2010 & BRPD Circular No. 35 dated 29.12.2010 issued revised Guidelines on Risk Based Capital Adequacy for Banks (Revised Regulatory Capital Framework in line with Basel II). In accordance with Risk Based Capital Adequacy guidelines of Bangladesh Bank, details of calculation Risk Weighted Assets of the Bank has been are given below:

Regulatory capital

1. Tier-1 (Core capital)	(Note 14.1.1)	7,754,169,347	6,916,093,681
2. Tier-2 (Supplementary capital)	(Note 14.1.2)	282,611,423	323,276,372
3. Tier-3 (Additional supplementary capital) (Note 2)	(Note 14.1.3)	-	-
4. Total regulatory Capital (1+2+3)		8,036,780,769	7,239,370,054
B. Total Risk Weighted Assets (RWA)	(Note 14.2)	10,576,628,590	9,395,725,164
C. Capital Adequacy Ratio (CAR) (as against required above 10.00%)		75.99%	77.05%
D. Core capital to RWA (as against required minimum 5.00%)		73.31%	73.61%
E. Supplementary capital to RWA		3.52%	4.47%
F. Minimum Capital Requirement (MCR)			
10 % of RWA		1,057,662,859	939,572,516
As per The Bank Company Act, 1991		4,000,000,000	4,000,000,000
Minimum Capital Required (higher one of above)		4,000,000,000	4,000,000,000
G. Surplus equity (A-F)		4,036,780,769	3,239,370,054

14.1.1 Tier - I (Core Capital)

Fund deposited with Bangladesh Bank	7,213,626,369	6,462,789,044
Surplus in profit & loss accounts/Retained earnings	540,542,978	453,304,637
Statutory reserve	-	-
Non-repayable share premium account	-	-
General reserve	-	-
Retained Earnings	-	-
Minority interest in subsidiaries	-	-
Share money deposit	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization accounts	-	-
Sub-total	7,754,169,347	6,916,093,681
Deductable from Tier - I (Core Capital)		
Book value of Goodwill	-	-
Shortfall in provision required against classified assets irrespective of any relaxation allowed	-	-
Deficit on account of revaluation of investment in AFS category	-	-
Any increase in equity capital resulting from a securitization transaction	-	-
Deferred tax income arising from "Loan loss provision"	-	-
Investment in subsidiary	-	-
Other if any	-	-
Sub-total	-	-
Total eligible Tier - 1 Capital	7,754,169,347	6,916,093,681

14.1.2 Tier - II (Supplementary Capital)

General Provision	243,596,507	302,164,499
Asset revaluation reserve	39,014,915	21,111,874
Preference Share	-	-
Perpetual Subordinated debt	-	-
Exchange Equalization Fund	-	-
Sub-total	282,611,423	323,276,372
Deduction (Investment in subsidiary)	-	-
Total eligible Tier - 2 Capital (a)	282,611,423	323,276,372

		Amount in Taka	
		2015	2014
14.1.3 C. Tier-III (Additional Supplementary Capital)			
Short term sub-ordinated debt (b)		-	-
Total Supplementary Capital		-	-
Total regulatory capital		8,036,780,769	7,239,370,054
14.2 Risk Weighted Assets (RWA)			
1. Investment (credit) Risk		8,478,787,463	7,120,385,794
(i) On-balance sheet		7,692,977,275	6,707,745,720
(ii) Off-balance sheet		785,810,189	412,640,075
2. Market Risk		33,770,179	12,684,022
3. Operational risk		2,064,070,948	2,262,655,347
		10,576,628,590	9,395,725,164
(Details are given in Annexure- G-1)			
15 Surplus in profit and loss account/ retained earnings			
Balance at the beginning of the year		453,304,637	1,925,679,420
Add: Net Profit for the year		648,810,282	434,060,213
Add: Net Profit received from Off-share Banking Unit (OBU)		443,219,220	-
Add: Excess Income Tax Provision Written Back		62,424,557	-
Less: Prior Year Adjustment(Deferred Tax)		-	-
Less: Amount transferred to deposit kept with Bangladesh Bank for Capital and SLR Purpose		1,067,215,719	1,906,434,996
		540,542,978	453,304,637
16 Other reserve			
Balance at the beginning of the year		42,223,747	82,406,044
Add: Amortization gain on HTM securities during the year		78,029,831	42,223,747
		120,253,578	124,629,791
Less: Transferred to Profit & Loss Account at maturity		42,223,747	82,406,044
		78,029,831	42,223,747
Off-shore Banking Unit		-	-
		78,029,831	42,223,747
17 Contingent liabilities			
Bills for collection		-	-
Import Letters Of Credit - Sight		1,076,586,029	797,839,354
Import Letters Of Credit - Usance		-	-
Import Letters Of Credit - Back to Back		-	-
Letter of Guarantee (Note 17.1)		19,595,943,443	16,635,218,015
		20,672,529,472	17,433,057,369
17.1 Letter of guarantee			
Letter of Guarantee (Local)		-	-
Letter of Guarantee (Foreign)		19,595,943,442.57	16,635,218,014.81
Foreign counter Guarantee		-	-
		19,595,943,443	16,635,218,015
Less: margin		103,656,684	108,692,716
		19,492,286,758	16,526,525,299
Balance for which the Bank is contingently liable in respect of guarantee issued favoring			
Directors		-	-
Government		-	-
Bank and other financial institution		19,595,943,443	16,635,218,015
Others		-	-
		19,595,943,443	16,635,218,015
Less : Margin		103,656,684	108,692,716
		19,492,286,758	16,526,525,299

	Amount in Taka	
	2015	2014
17.2 Irrevocable letter of credit		
Letter of Credit (Inland)	1,076,586,029	797,839,354
Letter of Credit (General)		
Back to Back L/C	-	-
	1,076,586,029	797,839,354
Less: Margin	402,340,557	91,362,690
	674,245,472	706,476,664

17.3 Suit filed by the bank

No law suit filed by the bank against contingent liabilities.

17.4 Cash and cash-equivalents items Breakup

Cash	537,300,701	686,337,298
Balance with other banks and financial institutions	219,289,052	64,252,813
Money at call and short notice	1,810,000,000	1,390,000,000
Prize bonds	914,300	991,600
	2,567,504,053	2,141,581,711

Previous years figures has been re-arranged to conform the prescribed formate of Bangladesh Bank.

		Amount in Taka	
		2015	2014
18	Income statement		
	Income		
	Interest, discount and similar income (Note-18.1)	577,454,142	636,978,381
	Fees, commission and brokerage (Note-18.2)	693,665,877	482,881,533
	Gains less losses arising from investment securities	538,532,052	666,122,315
	Income from non-banking assets	-	-
	Other operating income (Note-22)	1,026,391	1,583,487
	Profit less losses on interest rate changes	-	-
		1,810,678,463	1,787,565,717
	Expenses		
	Interest, fees and commission (Note-19)	368,321,452	458,652,342
	Administrative expenses (Note-18.3)	200,502,475	153,048,676
	Other operating expenses	124,091,718	80,328,304
	Depreciation on banking assets (Note-28)	18,350,707	17,287,112
		711,266,352	709,316,433
	Operating profit	1,099,412,110	1,078,249,283
18.1	Interest, discount and similar income		
	Interest on loans and advances (Note 18.1.1)	372,739,441	482,573,626
	Interest on money at call and short notice	204,714,701	153,806,747
	Interest on balance with other banks	-	598,008
	Interest on treasury bills & bonds	-	-
	Interest on fixed deposits with other banks	-	-
	Interest on other sundry income	-	-
		577,454,142	636,978,381
18.1.1	Interest on loans and advances		
	Cash Credits	140,253,889	192,632,340
	Overdrafts	93,040,309	93,967,708
	Demand Loan	12,685,005	(38,342,123)
	Term Loan	126,760,239	234,315,701
		372,739,441	482,573,626
18.2	Fees, commission and brokerage		
	Fees	-	-
	Commission	693,665,877	482,881,533
		693,665,877	482,881,533
18.3	Administrative expenses		
	Salaries and allowances	107,747,840	67,031,774
	Rent, taxes, insurance, electricity etc.	72,071,327	69,581,689
	Legal expenses	1,980,445	2,195,614
	Postage, stamps, telecommunication etc.	4,233,627	4,557,142
	Stationery, printing, advertisement etc.	8,719,552	4,806,967
	Chief Executive's salary & fees	-	-
	Directors' fees & expenses	-	-
	Auditors' fee	1,200,000	500,000
	Repairs & maintenance of fixed assets	4,549,684	4,375,490
		200,502,475	153,048,676
19	Interest paid on deposits and borrowing etc.		
	Interest on deposits		
	Recurring Deposit	16,205,492	14,295,722

	Short Term Deposit (STD)	6,328,741	9,850,048
	Savings	17,205,701	19,704,216
	Term	277,346,554	357,760,149
		317,086,487	401,610,135
	Interest on money at call and short notice	57,832,748	57,042,207
	Interest on local bank accounts	-	-
		374,919,235	458,652,342
20	Investment income		
	Interest on treasury bonds	365,421,339.47	305,902,340
	Interest (discount) on treasury bills	170,254,810.20	357,364,073
	Dividend income	2,855,903	2,855,903
		538,532,052	666,122,315
21	Commission, exchange and brokerage		
	Commission for Guarantees	122,808,169	110,614,491
	Commission for LC negotiation/amendment/advising	22,236,571	13,677,363
	Commission for inward & outward remittances	7,849,480	7,184,332
	Commission on Visa Processing	475,469,359	281,160,025
	Commission for miscellaneous	13,955,388	22,697,719
	Foreign exchange earnings	51,346,910	47,547,603
		693,665,877	482,881,533
22	Other operating income		
	Miscellaneous Income	1,026,391	1,583,487
		1,026,391	1,583,487
23	Salaries and allowances		
	Basic Salary	84,631,917	52,159,828
	Salary Casual Staff	15,901,702	11,020,509
	Salary Leave Encash & Allowances	3,364,481	1,212,727
	Provident Fund	3,849,740	2,638,710
		107,747,840	67,031,774
24	Rent, taxes, insurance, electricity etc.		
	Rent, rates & taxes	55,200,379	54,250,072
	Insurance	7,877,753	7,354,659
	Power & electricity	8,993,195	7,976,957
		72,071,327	69,581,689
25	Postage, stamp, telecommunication etc.		
	Postage & courier	949,930	1,023,084
	Telephone-Office	3,196,174	3,378,284
	Telephone-Residence	87,523	155,774
		4,233,627	4,557,142
26	Stationery, printing, advertisement etc.		
	Stationery & Printing	8,612,062	4,669,228
	Advertisement Statutory	107,490	110,229
	Adv Advertisement Statutory	-	27,510
		8,719,552	4,806,967
27	Auditors' fee		
	Audit Fee(Statutory Audit)	345,000	345,000
	Others	855,000	155,000
		1,200,000	500,000
28	Depreciation on and repairs to bank's assets		
	A. Depreciation of property plant and equipments		
	Furniture & fixtures	18,446,427	3,180,272

Office equipments		5,299,489
IT hardware		8,807,351
	18,446,427	17,287,112
B. Repairs & maintenance expenses		
Transport Maintenance		
Equipment Maintenance	4,453,964	4,375,490
Hardware & Software Maintenance	-	-
Premises Maintenance	4,453,964	4,375,490
	22,900,391	21,662,602
29 Other expenses		
Water Consumption	1,622,170	1,208,097
Traveling expenses	3,085,726	3,001,567
Halting allowance	580,782	552,460
House up keep IB officers	37,680	64,790
Medical expenses	2,636,821	2,391,690
Computer expenses (including maintainance)	16,861,335	9,479,087
Petrol, Oil and Lubricants	1,966,979	2,052,554
Security	11,970,939	10,822,235
Membership subscription	565,783	348,580
Entertainment: canteen & other	10,597,212	8,002,172
News paper/Books	1,697,358	1,544,891
Conveyance Allowance	10,632,345	8,675,046
Finacle Expenses	20,116,357	11,594,441
Children Education	643,085	912,057
Clearing Expenses	1,099,876	1,365,753
Other Allowances	4,379,800	3,556,057
Office Mantainance	6,402,829	-
Charges Donation	2,170,650	1,055,515
Rentals Car/ Transportation Exp.	6,090,522	2,596,590
Training	1,559,979	1,653,957
Charges Others	19,373,491	9,450,766
	124,091,718	80,328,304
30 Provisions		
a) Provision on loans & advances		
Provision made/ (adjusted) during the year for STD account	6,131,931	148,565,654
Specific Provision made during the year	22,048,839	
Less: Recoveries/Provision no longer required	(2,755,427)	4,482,288
	25,425,343	144,083,366
b) Provision for Off Balance Sheet		
Provision on LC & BG	32,394,721	99,272,488
Less: Recoveries/Provision no longer required	-	-
	32,394,721	99,272,488
Grand Total (a+b)	57,820,064	243,355,854

Previous year provision for off balance sheet items was included with provision for loans & advances and shown in the profit and loss account grossly. Now we have rearranged the figures and shown separately to confirm the current year's presentation.

31 Related party/(ies) transactions

i) The bank had no transactions with related parties in the normal course of business an on arm length basis. As on 31 December 2014, the bank had following transactions with the 'Related Party/(ies)' as defined in the BRPD Circulars No. 14 issued by the Bangladesh Bank on 25 June 2003.

Name of the Related Parties	Relationship	Transaction Nature	Balance at year end
NIL	NIL	NIL	NIL

State Bank of India

Bangladesh Operation
Off-shore Banking Unit

Balance Sheet
As at December 31, 2015

Notes	2015		2014	
	USD	Taka	USD	Taka
PROPERTY AND ASSETS				
Cash	-	-	-	-
Cash in hand (including foreign currency)	-	-	-	-
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)	-	-	-	-
Balance with other banks and financial institutions	1,860,046	145,967,125	2,313,810	180,882,062
In Bangladesh	-	-	-	-
Outside Bangladesh	1,860,046	145,967,125	2,313,810	180,882,062
Money at call on short notice	-	-	-	-
Investments	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
Outside Bangladesh	-	-	-	-
Loans and advances	73,825,338	5,793,443,380	62,316,873	4,871,621,547
Loans, cash credits, overdrafts, etc.	4,617,296	362,342,267	61,925,778	4,841,047,695
Bills purchased and discounted	69,208,042	5,431,101,113	391,095	30,573,852
Fixed assets including premises, furniture & fixtures	-	-	-	-
Other assets	2,040,415	160,121,601	3,532,555	276,157,524
Non banking assets	-	-	-	-
Total assets	77,725,799	6,099,532,106	68,163,238	5,328,661,132
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from other banks, financial institutions & agents	72,995,578	5,728,327,960	60,407,760	4,722,376,638
In Bangladesh	-	-	-	-
Outside Bangladesh	72,995,578	5,728,327,960	60,407,760	4,722,376,638
Deposits and other accounts	534,828	41,970,630	774,418	60,540,239
Current deposits and other accounts	534,828	41,970,630	774,418	60,540,239
Bills payable	-	-	-	-
Savings bank deposits	-	-	-	-
Term deposits	-	-	-	-
Other liabilities	778,639	61,103,697	2,885,823	225,599,215
Total liabilities	74,309,045	5,831,402,287	64,068,001	5,008,516,092
Capital / equity				
Paid up capital	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Surplus in profit and loss account	3,416,755	268,129,819	4,095,236	320,145,040
Total equity	3,416,755	268,129,819	4,095,236	320,145,040
Total liabilities and equity	77,725,799	6,099,532,106	68,163,238	5,328,661,132

The accompanying notes form an integral part of these financial statements



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO
Chartered Accountants

Notes	2015		2014	
	USD	Taka	USD	Taka

Off Balance Sheet Items

Contingent liabilities

Acceptances and endorsements
Letter of guarantee
Irrevocable letters of credit
Bills for collection

13	USD	Taka	USD	Taka
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	133,449	10,432,345
	-	-	-	-
	-	-	133,449	10,432,345

Other Commitments:

Documents credit and short term trade -related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and

	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	133,449	10,432,345

The accompanying notes form an integral part of these financial statements

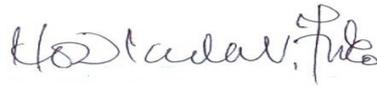


Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO
Chartered Accountants

State Bank of India
Bangladesh Operation
Off-shore Banking Unit
Profit and Loss Account
For the year ended December 31, 2015

Notes	2015		2014		
	USD	Taka	USD	Taka	
Operating income					
Interest income	14	4,271,342	335,193,537	3,463,558	270,763,637
Less: Interest paid on deposits, borrowings, etc.	15	(876,833)	(68,809,486)	(931,531)	(72,822,452)
Net interest income		3,394,508	266,384,051	2,532,027	197,941,185
Income from investment		-	-	-	-
Commission, exchange and brokerage	16	115,932	9,097,775	158,930	12,424,372
Other operating income	17	22,364	1,755,042	138	10,758
Total operating income		3,532,805	277,236,868	2,691,095	210,376,315
Salaries and allowances	18	-	-	25,662	2,006,100
Rent, taxes, insurance, lighting and traveling	19	-	-	4,122	322,200
Legal expenses		-	-	-	-
Postage, stamp, telegram and telephone	20	-	-	373	29,146
Auditors' fee	21	-	-	1,855	145,000
Stationery, printing and advertisement	22	-	-	621	48,555
Charges on loan loss		-	-	-	-
Managing director's salary		-	-	-	-
Directors' meeting fee		-	-	-	-
Repair, maintenance and depreciation of assets		-	-	-	-
Other expenses	23	2,300	180,503	2,738	214,028
Total operating expenses		2,300	180,503	35,370	2,765,029
Profit before provision		3,530,505	277,056,364	2,655,725	207,611,286
Provision for loans & advance, other assets & off Balance Sheet items	24	113,750	8,926,545	114,793	8,973,926
Profit before taxation		3,416,755	268,129,819	2,540,932	198,637,360
Provision for taxation		-	-	1,128,683	88,234,797
Current tax		-	-	1,128,683	88,234,797
Deferred tax		-	-	-	-
Profit after taxation		3,416,755	268,129,819	1,412,249	110,402,563
Retained earnings		3,416,755	268,129,819	1,412,249	110,402,563

The accompanying notes form an integral part of these financial statements



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO
Chartered Accountants

State Bank of India
Bangladesh Operation
Off-shore Banking Unit
Cash Flow Statement
For the year ended December 31, 2015

	2015		2014	
	USD	Taka	USD	Taka
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interest received in cash	4,224,612	331,526,438	3,478,503	271,931,945
Interest payments	(876,593)	(68,790,675)	(1,069,907)	(83,640,013)
Dividend received	-	-	-	-
Fees and commission received in cash	115,932	9,097,775	158,930	12,424,372
Recovery of loans and advances in cash previously written-off	-	-	-	-
Cash paid to employees	-	-	-	-
Income tax paid	(2,193,072)	(172,101,311)	-	-
Cash received from other operating activities	22,364	1,755,042	354	27,643
Cash paid for other operating activities	(2,300)	(180,503)	(2,743)	(214,400)
Cash flows before charges in operating assets and liabilities	1,290,943	101,306,766	2,565,137	200,529,548
Increase / Decrease in operating assets and liabilities:				
Loans and advances to customers	(11,508,465)	(921,821,833)	(11,345,831)	(914,994,440)
Other assets	(1,538,870)	(120,762,765)	-	-
Deposits from other Banks	12,587,818	1,005,951,322	7,363,760	604,836,138
Deposit from customers	(239,590)	(18,801,857)	461,595	36,257,349
Other liabilities	(1,029,456)	(80,786,570)	361,916	28,579,494
	(1,728,563)	(136,221,702)	(3,158,560)	(245,321,459)
Net cash from operating activities	(437,620)	(34,914,936)	(593,423)	(44,791,911)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of securities	-	-	-	-
Cash payments for purchase of securities	-	-	-	-
Purchase/ sale of property, plant & equipment of fixed assets	-	-	-	-
Sales of fixed assets	-	-	-	-
Net cash from investing activities	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan paid	-	-	-	-
Transferred to Domestic Banking Unit	-	-	-	-
Net cash from financing activities	-	-	-	-
Net increase/(decrease) in cash and cash equivalent	(437,620)	(34,914,936)	(593,423)	(44,791,911)
Effects of exchange rate changes on cash & cash equivalent	-	-	-	-
Opening cash and cash equivalent	2,313,810	180,882,061	2,907,233	225,673,972
Closing cash and cash equivalent	1,876,190	145,967,125	2,313,810	180,882,061

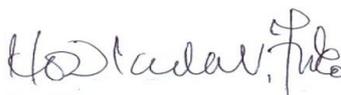


Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-March 14, 2016

State Bank of India

Bangladesh Operation Off-shore Banking Unit

Notes to the Financial Statements For the year ended December 31, 2015

1.1 Status of the units

Off-shore Banking Units of State Bank of India, Bangladesh Operation, governed under the rules and guidelines of Bangladesh Bank. The bank commenced the operation of its Off-shore banking Unit from 2010 after obtaining necessary approval from Bangladesh Bank.

1.1.1 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking units in Bangladesh.

2 Summary of significant accounting policies & basis of preparation

2.1 A summary of the principle accounting policies which have been applied consistently (Unless otherwise stated), is set out below:

a) Basis of accounting

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, Bangladesh Accounting Standards and other applicable directives issued by Bangladesh Bank.

b) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

c) Foreign currency transaction

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS -21" The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

Commitments for outstanding forward foreign exchange contracts disclosed in the financials are translated at contracted rates. Contingent liabilities/ commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the transaction of net investment in foreign subsidiary.

d) Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard - 7 - "Cash flow statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.2 Reporting period

These financial statements cover one calendar year from 01 January to 31 December 2014.

2.3 Cash and cash equivalents

For the purpose of presentation in the Cash flow statements, cash and cash equivalents includes Cash in Hand and Cash at Bank , highly liquid interest bearing investment/Securities with original maturities of less than three month.

Cash flow statement is prepared in accordance with BAS 7 titled " Cash Flow Statements". Cash flows form operating activities have been presented at "Direct Method" .

2.4 Loans and advances / investment

- a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

2.5 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 " Provisions, Contingent Liabilities and Contingent Assets".

2.6 Revenue & expense recognition

2.6.1 Interest income

In terms of the provisions of the BAS - 18 "Revenue", the interest income is recognized on accrual basis.

2.6.2 Interest paid and other expenses

In terms of the provisions of the BAS- 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.7 General

- a) These financial statements are presented both in USD and BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) Assests and liabilities & income and expenses have been converted into Taka currency @ US \$ 1 = Taka 78.475 (Closing mid rate as at 31st December 2014).

	2015		2014	
	USD	Taka	USD	Taka
3 Cash in hand				
In Local Currency	-	-	-	-
Foreign Currency Account	-	-	-	-
	-	-	-	-
4 Balance with other banks and financial institutions				
In Bangladesh (Note -4.1)	-	-	-	-
Outside Bangladesh (Note -4.2)	1,860,046	145,967,125	2,313,810	180,882,062
	1,860,046	145,967,125	2,313,810	180,882,062
4.1 In Bangladesh:				
Sonali / Rupali/CBC	-	-	-	-
	-	-	-	-
4.2 Outside Bangladesh				
Current Account	1,860,046	145,967,125	2,313,810	180,882,062
	1,860,046	145,967,125	2,313,810	180,882,062
5 Loans and advances				
i) Loans, cash credits, overdrafts, etc				
Term loan	-	-	-	-
Cash Credit	-	-	-	-
Over draft	4,617,296	362,342,267	61,925,778	4,841,047,695
	4,617,296	362,342,267	61,925,778	4,841,047,695
ii) Bills purchased and discounted (note-6)				
Inside Bangladesh				
Inland bills purchased and discounted	69,208,042	5,431,101,113	391,095	30,573,852
Outside Bangladesh				
Foreign bills purchased and discounted	-	-	-	-
	69,208,042	5,431,101,113	391,095	30,573,852
	73,825,338	5,793,443,380	62,316,873	4,871,621,547
5.1 Geographical location-wise loans and advances				
Dhaka	36,484,634	2,863,131,645	27,056,490	2,115,141,117
Chittagong	37,340,704	2,930,311,735	35,260,383	2,756,480,430
Sylhet	-	-	-	-
Rajshahi	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	73,825,338	5,793,443,380	62,316,873	4,871,621,547
5.2 Classification of loans and advances				
Unclassified				
(i) Standard	73,825,338	5,793,443,380	62,316,873	4,871,621,547
(ii) Special mention account	-	-	-	-
Classified				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / loss	-	-	-	-
	73,825,338	5,793,443,380	62,316,873	4,871,621,547
6 Bills purchased and discounted				
In Bangladesh	69,208,042	5,431,101,113	391,095	30,573,852
Outside Bangladesh	-	-	-	-
	69,208,042	5,431,101,113	391,095	30,573,852
7 Fixed assets including premises, furniture and fixtures				
Furniture and fixtures	-	-	-	-
Office equipment and machinery	-	-	-	-
	-	-	-	-
8 Other assets				
Inter Branch Account	10,128	794,826	-	-
Receivables from DBU(i)	-	-	1,548,998	123,074,180
Interest income receivable on loans & advance	2,030,287	159,326,775	1,983,558	155,064,609
Exchange Fluctuation of receivables from DBU	-	-	-	(1,981,265)
	2,040,415	160,121,601	3,532,555	276,157,524

	2015		2014	
	USD	Taka	USD	Taka
9 Off-shore banking unit	72,995,578	5,728,327,960	60,407,760	4,722,376,638
	<u>72,995,578</u>	<u>5,728,327,960</u>	<u>60,407,760</u>	<u>4,722,376,638</u>
9.1 Borrowings disclosed in the following manner:				
Dhaka Branch	-	-	5,974,060	467,022,145
State Bank of India, Hongkong	72,995,578	5,728,327,960	54,433,700	4,255,354,493
	<u>72,995,578</u>	<u>5,728,327,960</u>	<u>60,407,760</u>	<u>4,722,376,638</u>
10 Deposits and other accounts				
Current deposits and other accounts (note- 10.1)	534,828	41,970,630	774,418	60,540,239
Savings deposits account (note- 10.2)	-	-	-	-
	<u>534,828</u>	<u>41,970,630</u>	<u>774,418</u>	<u>60,540,239</u>
10.1 Current deposits and other accounts				
Inter Branch a/c	-	-	-	-
Bangladesh Bank	-	-	-	-
Other Current A/C	534,828	41,970,630	774,418	60,540,239
	<u>534,828</u>	<u>41,970,630</u>	<u>774,418</u>	<u>60,540,239</u>
10.2 Savings deposits account				
Deposits from banks	-	-	-	-
Deposits from customers	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11 Other liabilities				
Interest payable on inter branch borrowings	35,031	2,749,052	35,271	2,757,282
Citi Bank N.A. New York	-	-	-	-
Provision on loans and advances(note-11.1)	738,253	57,934,434	624,503	48,820,538
Provision for Current Taxation (iv)	-	-	2,193,072	171,443,389
Stamp account	5,355	420,211	129	10,118
Payable to DBU	-	-	32,848	2,567,887
	<u>778,639</u>	<u>61,103,697</u>	<u>2,885,823</u>	<u>225,599,215</u>
11.1 Provision for loans and advances				
Provision for bad and doubtful debts (i)	-	-	-	-
Provision on unclassified loans(ii)	738,253	57,934,434	624,503	48,820,538
	<u>738,253</u>	<u>57,934,434</u>	<u>624,503</u>	<u>48,820,538</u>
i) Fresh provision on loans & advance made during the year				
On classified loans & advances as per BBK circular (ii)	-	-	-	-
On unclassified loans & advances(iii)	113,750	8,926,545	114,793	8,973,926
	<u>113,750</u>	<u>8,926,545</u>	<u>114,793</u>	<u>8,973,926</u>
ii) The movement in specific provision for bad and doubtful debts:				
Provision held at the beginning of the year	-	-	-	-
Less: Fully provided debt written off	-	-	-	-
Add: Recoveries of amount previously written off	-	-	-	-
Add: Specific provision for the year	-	-	-	-
Less: Recoveries and provision no longer required	-	-	-	-
Add: Net charge to profit & loss A/C	-	-	-	-
Provision held at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
iii) The movement in general provision on unclassified loans:				
Provision held at the beginning of the year	624,503	48,820,538	509,710	39,566,271
Adjustment	-	187,351	-	280,341
Add: Additional provision for the year	113,750	8,926,545	114,793	8,973,926
Less: Provision written back	-	-	-	-
Provision held at the end of the year	<u>738,253</u>	<u>57,934,434</u>	<u>624,503</u>	<u>48,820,538</u>
	<u>738,253</u>	<u>57,934,434</u>		
iv) Breakup of unclassified loans & advances	(0)	0		
General provision for loans & advances	-	-	-	-
General provision for Off- Balance Sheet item	-	-	-	-
v) Provision for Current Taxation (iv)				
Opening Balance	2,193,072	171,443,389	1,064,389	82,623,179
Add: Additional provision for the year	-	-	1,128,683	88,234,797
Add: Exchange Fluctuation	-	-	-	-
Less: Payment made during the year	(2,193,072)	(171,443,389)	-	585,414
	<u>-</u>	<u>-</u>	<u>2,193,072</u>	<u>171,443,389</u>
12 Surplus in profit and loss account				
Opening balance	4,095,236	320,145,040	2,682,987	211,100,125
Add: Exchange Fluctuation	-	-	-	(1,357,648)
Add: Net profit for the year	3,416,755	268,129,819	1,412,249	110,402,563
Less: Transferred to retained earning (DBU)	(4,095,236)	(320,145,040)	-	-
	<u>3,416,755</u>	<u>268,129,819</u>	<u>4,095,236</u>	<u>320,145,040</u>
13 Contingent liabilities	<u>-</u>	<u>-</u>	<u>133,449</u>	<u>10,432,345</u>

	2015		2014	
	USD	Taka	USD	Taka
13.1 Acceptance & endorsement				
Back to back bills	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
13.2 Irrevocable letter of credits				
Letter of credits	-	-	133,449	10,432,345
Back to back letter of credit	-	-	-	-
Less: Margin	-	-	133,449	10,432,345
	-	-	133,449	10,432,345
13.3 Letter of guarantee				
Letter of guarantee (Local)	-	-	-	-
Letter of guarantee (Foreign)	-	-	-	-
Foreign counter guarantees	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
13.4 Bills for collection				
Outward local bills for collection	-	-	-	-
Inward foreign bills for collection	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
14 Interest income				
Overdraft	1,919,544	150,636,181	2,924,606	228,631,098
LTR loan	-	-	-	-
Bills discount	2,013,524	158,011,281	118,858	9,291,763
Others	338,274	26,546,075	420,093	32,840,776
Interest on loans and advances	4,271,342	335,193,537	3,463,558	270,763,637
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
Total interest income	4,271,342	335,193,537	3,463,558	270,763,637
15 Interest paid on deposits, borrowings, etc.				
Interest paid on Inter Branch Borrowings	876,833	68,809,486	931,531	72,822,452
Interest paid on Bangladesh Bank	-	-	-	-
	876,833	68,809,486	931,531	72,822,452
16 Commission / fees				
Commission for handling	4,688	367,901	6,995	546,831
Commission for LC negotiation/amendment/advising	2,625	205,958	10,002	781,873
Commission for foreign bill negotiation	-	-	33,146	2,591,184
Commission for outward remittances	1,898	148,979	3,180	248,597
Commission acceptance on bills	20,213	1,586,243	560	43,778
Commission for inward remittance	923	72,432	350	27,361
Commission for miscellaneous	85,585	6,716,262	104,698	8,184,748
	115,932	9,097,775	158,930	12,424,372
17 Other operating income				
Swift	1,160	91,031	720	56,286
Exchange Gain/(Loss)	21,168	1,661,185	(582)	(45,528)
Postage & courier	36	2,825	-	-
	22,364	1,755,042	138	10,758
18 Salaries and allowances				
Basic Salary	-	-	12,831	1,003,050
Other Allowances	-	-	11,548	902,745
Provident Fund	-	-	1,283	100,305
	-	-	25,662	2,006,100
19 Rent, taxes, insurance, electricity etc.				
Rent, rates & taxes	-	-	4,122	322,200
	-	-	4,122	322,200
20 Postage, stamp, telecommunication etc.				
Postage & courier	-	-	373	29,146
	-	-	373	29,146

	2015		2014	
	USD	Taka	USD	Taka
21 Stationery, printing, advertisement etc.				
Stationery & Printing	-	-	621	48,555
	-	-	621	48,555
22 Auditors' fee				
Audit Fee(Statutory Audit)	-	-	1,855	145,000
	-	-	1,855	145,000
23 Other expenses				
Account maintenance charge	-	-	-	-
Others	2,300	180,503	2,738	214,028
	2,300	180,503	2,738	214,028
24 Provision for loan :				
Provision against classified loan	-	-	-	-
Provision against unclassified loan	113,750	8,926,545	114,793	8,973,926
Balance at the end of the year	113,750	8,926,545	114,793	8,973,926

State Bank of India
Bangladesh Operation

Balance with other bank and financial institutions (Outside Bangladesh on Demand Deposit Accounts)
As at December 31, 2015

Name of Bank	Currency Type	A/C Type	2015			2014		
			FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
Standard Chartered Bank, Karachi Branch	USD	CD	-	78.4750	0.00	-	78.1750	0.00
Deutsche Bank, Mumbai	USD	CD	-	78.4750	0.00	-	78.1750	0.00
JP Morgan Chase Bank	USD	CD	862,719.35	78.4750	67,701,900.99	180,916.63	78.1750	14,143,157.73
ACU Dollar Nostro a/c	USD	CD	158,922.96	78.4750	12,471,479	33,635.69	78.1750	2,629,470
Bank of America	USD	CD	108,855.28	78.4750	8,542,418	79,174.93	78.1750	6,189,501
Deutsche Bank Trust Company, New York	USD	CD	112,469.45	78.4750	8,826,040	49,607.99	78.1750	3,878,105
State Bank of India, West Germany (FF)	EURO	CD	783,668.39	85.7784	67,221,821	164,276.08	94.8946	15,588,913
State Bank of India, London	GBP	CD	6,304.74	116.3463	733,534	3,829.75	121.3506	464,742
State Bank of India, New York	USD	CD	316,799.81	78.1750	24,860,865	96,438.55	78.1750	7,539,084
State Bank of India, Japan	JYEN	CD	268,072.00	0.6543	175,400	268,072.00	0.6514	174,622
Total			2,617,812	N/A	190,533,458	875,952	N/A	50,607,594

State Bank of India
Bangladesh Operation

Details of Large Loan
As at December 31, 2015

Number of Clients:

Amount of outstanding advances:

2,765,885,063

Amount of classified advances:

NIL

Measures taken for recovery:

NIL

Client wise break-up is as follows:

SL.	Name of Clients	December 2014		
		Outstanding (Taka)		
		Funded	Non Funded	Total
1	UNITED AIRWAYS (BD) LTD	343,493,542.99	-	343,493,543
2	NITOL MOTORS LIMITED	286,403,728.68	-	286,403,729
3	APEX FOOTWEAR LIMITED	233,801,345.08	-	233,801,345
4	MOSTAFA CORPORATION LTD	185,818,385.31	-	185,818,385
5	CLEWSTON TRADING LTD	176,253,589.57	-	176,253,590
6	UTTARA FOODS & FEEDS (BANGLADESH)	165,800,120.38	30,454,993	196,255,113
7	NAHAR TRADING CORPORATION LTD.	154,937,315.90	-	154,937,316
8	HG AVIATION LTD	131,870,931.45	-	131,870,931
9	BANGLADESH EXPORT IMPORT CO.LT	128,014,902.30	-	128,014,902
10	GPH ISPAT LIMITED	114,372,549.97	-	114,372,550
11	ALLIANCE PROPERTIES LIMITED	104,018,976.31	-	104,018,976
12	BURO BANGLADESH	100,606,711.40	-	100,606,711
13	MASOOD AND COMPANY LTD.	99,641,818.57	-	99,641,819
14	ARAMIT CEMENT LIMITED	88,700,130.67	11,212,125	99,912,256
15	CEAT BANGLADESH LIMITED	84,186,765.70	10,914,189	95,100,955
16	T.J. INTERNATIONAL LIMITED	82,895,858.61	-	82,895,859
17	FAS FINANCE & INVESTMENT LIMIT	76,197,910.72	-	76,197,911
18	BARAKA LIMITED	72,548,268.07	8,247,871	80,796,139
19	SIX SEASONS FOOD AND BEVERAGES	70,789,962.41	-	70,789,962
20	SUNDARBAN EXPRESS TRANSPORTATI	65,532,248.95	-	65,532,249
Total		2,765,885,063	60,829,178	2,826,714,241

Bangladesh Operation

Schedule of Fixed Assets
As at December 31, 2015

(Figures in Taka)

Particulars	COST				Rate %	DEPRECIATION				Written down value of 31 December 2015
	Balance as of 1 January 2015	Addition during the year	Adjustment /disposal during the year	Balance as of 31 December 2015		Balance as of 1 January 2015	Charged for the year	Adjustment/disp osal during the year	Balance as of 31 December 2015	
Furniture & fixture	66,226,092	9,755,270	4,948,441	71,032,920	10	37573651.81	3,511,154	3,304,486	37,780,320	33,252,601
Office Appliances	35,617,284	7,340,729	866,852	42,091,162	25	19641957.16	5,369,596	713,784	24,297,769	17,793,393
Computer	72,714,940	15,319,432	(133,266)	88,167,638	25	45415966.75	9,565,678		54,981,644	33,185,994
As on 31 December 2015	174,558,316	32,415,431	5,682,027	201,291,720		102,631,576	18,446,427	4,018,270	117,059,733	84,231,987
As on 31 December 2014	169,153,823	9,970,185	4,565,692	174,558,316		80,778,772	17,287,112	(4,565,692)	102,631,576	71,926,740

**State Bank of India
Bangladesh Operation**

**Statement of Tax position
As at December 31, 2015**

(Figures in Taka)

Accounting Year	Assessment Year	Tax provision	Tax as per assessment	Advance Tax as per assessment order	Present Status
2001	2002-2003	48,938,000	48,938,000	48,938,000	Completed
2002	2003-2004	52,406,268	52,406,268	52,406,268	Completed
2003	2004-2005	45,952,000	45,952,000	45,952,000	Completed
2004	2005-2006	107,900,000	107,900,000	107,900,000	Completed
2005	2006-2007	120,406,589	120,406,224	120,406,589	Completed
2006	2007-2008	136,773,803	136,773,803	136,773,803	Completed
2007	2008-2009	190,945,069	190,945,069	190,945,069	Completed
2008	2009-2010	226,964,018	226,964,018	226,964,018	Completed
2009	2010-2011	210,000,000	204,599,250	203,338,070	Completed
2010	2011-2012	330,000,000	325,930,336	325,296,807	Completed
2011	2012-2013	510,000,000	495,223,988	499,747,443	Completed
2012	2013-2014	586,000,000	-	-	Completed
2013	2014-2015	465,000,000	465,242,552	459,999,999	Completed

STATE BANK OF INDIA (Bangladesh Operation)
Unreconciled Entries and amount in Local & Nostro Account
Postion as on December 31, 2015

Name of the Bank	Currency	Year	Note Refer	Local Book						Foreign book						
				Local Debits			Local Credits			Nostro's Debits			Nostro's Credits			
				No of entry	Amount in F.C	Amount in US\$	No of entry	Amount in F.C	Amount in US\$	No of entry	Amount in F.C	Amount in US\$	No of entry	Amount in F.C	Amount in US\$	
1	State Bank of India, London	GBP	2015	1												
2	State Bank of India, New York	USD	2015	2	4	950.47	950.47	0	0	0	1	2,200.00	2,200.00	6	243,150.48	243,150.48
3	State Bank of India, Frankfurt	EURO	2015	3	1	597.46	653.06									-
4	Deutsche Bank Trust Com. America, USA	USD	2015	4							1	28.58	28.58	1	328.00	328.00
5	State Bank of India, Tokyo	USD	2015	5												
6	Bank of America	USD	2015	6							2	3,000.00	3,000.00			-
7	JP Morgan Chase bank, USA	USD	2015	7	2	11,134.00	11,134.00	3	3,540.00	3,540.00	6	4,702.30	4,702.30	1	150,000.00	150,000.00
8	State Bank of India, Kolkata	USD	2015	8	3	13,570.00	13,570.00	11	38,508.91	38,508.91	3	2,352.36	2,352.36			
					10		26,307.53	14		42,048.91	13		12,283.24	8	393,478.48	393,478.48

1.0 N/A

2.0 Entries \$280,\$48 were wrongly debited by local book and subsequently credited on 25.01.2016; Entries \$26,425,\$1232.41 were wrongly credited by Correspondent bank and

3.0 Entry Euro 597.46 was wrongly debited by local book and subsequently credited on 05.01.2016

4.0 All entries subsequently adjusted on 05.01.2016 and 25.01.2016

5.0 N/A

6.0 \$2960 subsequently adjusted on 03.01.2016 and \$40 is not adjusted yet because correspondent bank not given the details for debiting the fund.

7.0 For \$390 and \$2200, correspondent bank has not yet debited their statement. Others entries for \$56.69,\$1071.96,\$93.48,\$25.59, \$3080.51,\$374.07,\$150,000,\$10784,\$350 and

8.0 For \$40 and \$40 correspondent bank has not given the details for crediting the fund. For \$8000,\$5550,\$20,\$63\$3979,\$8114,\$10462.91,\$1800 and \$2100 correspondent bank

State Bank of India
Bangladesh Operation
Schedule of Investment
As at December 31, 2015

(Figures in Taka)

Sl.	Auction Number	Face Value	Purchase Date	Purchase Cost	Coupon Type	Redemption/ Maturity Date	Tenor	Coupon	Market Value	Increase/ Decrease Amortized Cost
1	BD0930121209	120,000,000.00	29-Sep-10	120,435,096.00	FXD	29-Sep-30	20 years	9.25%	120,384,314.59	-11,541.61
2	BD0930121209	120,000,000.00	29-Sep-10	120,326,091.00	FXD	29-Sep-30	20 years	9.25%	120,288,069.53	-8,643.05
3	BD0930121209	100,000,000.00	29-Sep-10	100,181,034.00	FXD	29-Sep-30	20 years	9.25%	100,159,946.73	-4,794.41
15	BD0932081203	4,100,000.00	29-Aug-12	4,100,000.00	FXD	29-Aug-32	20 years	12.16%	4,100,000.00	
32	BD0932241203	1,200,000.00	26-Dec-12	1,200,000.00	FXD	26-Dec-32	20 years	12.28%	1,200,000.00	
21	BD0932121207	1,900,000.00	26-Sep-12	1,900,000.00	FXD	26-Sep-32	20 years	12.16%	1,900,000.00	
25	BD0932161203	1,200,000.00	25-Oct-12	1,198,214.73	FXD	25-Oct-32	20 years	12.16%	1,198,296.80	29.02
28	BD0932201207	600,000.00	28-Nov-12	598,219.19	FXD	28-Nov-32	20 years	12.18%	598,297.74	28.50
40	BD0933361208	900,000.00	27-Mar-13	898,032.33	FXD	27-Mar-33	20 years	12.51%	898,106.07	29.39
46	BD0933481204	1,300,000.00	26-Jun-13	1,293,384.56	FXD	26-Jun-33	20 years	12.48%	1,293,606.14	95.58
55	BD0933121206	1,200,000.00	25-Sep-13	1,193,893.44	FXD	25-Sep-33	20 years	12.48%	1,194,074.72	85.63
60	BD0933241202	1,300,000.00	26-Dec-13	1,294,273.27	FXD	26-Dec-33	20 years	12.33%	1,294,424.14	79.32
68	BD0934201205	1,400,000.00	24-Dec-14	1,390,251.80	ZC	26-Nov-34	20 years	12.07%	1,390,390.04	126.27
65	BD0934201205	700,000.00	26-Nov-14	695,802.80	FXD	26-Nov-34	20 years	12.06%	695,862.42	54.46
62	BD0934161201	1,500,000.00	29-Oct-14	1,494,369.00	FXD	29-Oct-34	20 years	12.03%	1,494,455.51	74.00
5	BD0925141154	150,000,000.00	13-Oct-10	150,614,400.00	FXD	13-Oct-25	15 years	8.95%	150,486,339.94	-29,118.93
6	BD0925141154	150,000,000.00	13-Oct-10	150,491,250.00	FXD	13-Oct-25	15 years	8.95%	150,388,923.01	-23,271.70
7	BD0925141154	100,000,000.00	13-Oct-10	100,245,500.00	FXD	13-Oct-25	15 years	8.95%	100,194,394.91	-11,624.61
8	BD0930161205	200,000,000.00	27-Oct-10	200,000,000.00	FXD	27-Oct-30	15 years	9.25%	200,000,000.00	
24	BD0927151151	1,100,000.00	17-Oct-12	1,097,723.93	FXD	17-Oct-27	15 years	11.93%	1,097,935.45	74.21
39	BD0928351156	500,000.00	20-Mar-13	499,662.94	FXD	20-Mar-28	15 years	12.38%	499,688.59	10.16
31	BD0927231151	1,000,000.00	19-Dec-12	1,001,371.00	FXD	19-Dec-27	15 years	12.08%	1,001,253.11	-43.43
35	BD0928271156	900,000.00	16-Jan-13	900,000.00	FXD	16-Jan-28	15 years	11.05%	900,000.00	
45	BD0928471152	2,600,000.00	19-Jun-13	2,589,522.57	FXD	19-Jun-28	15 years	12.40%	2,590,235.28	305.28
49	BD0928041153	1,000,000.00	24-Jul-13	995,301.07	FXD	24-Jul-28	15 years	12.40%	995,606.61	135.28
54	BD0928121153	2,400,000.00	25-Sep-13	2,391,944.69	FXD	25-Sep-28	15 years	12.42%	2,392,425.80	227.17
58	BD0928161159	1,400,000.00	23-Oct-13	1,393,428.42	FXD	23-Oct-28	15 years	12.42%	1,393,804.81	183.32
66	BD0929201152	900,000.00	26-Nov-14	898,091.10	FXD	26-Nov-29	15 years	11.50%	898,146.95	51.01
67	BD0929201152	1,600,000.00	24-Dec-14	1,588,417.60	ZC	26-Nov-29	15 years	11.57%	1,588,754.35	307.58

Sl.	Auction Number	Face Value	Purchase Date	Purchase Cost	Coupon Type	Redemption/ Maturity Date	Tenor	Coupon	Market Value	Increase/ Decrease Amortized Cost
4	BD0920131101	150,000,000.00	6-Oct-10	150,000,000.00	FXD	6-Oct-20	10 years	8.85%	150,000,000.00	
9	BD0920171107	350,000,000.00	3-Nov-10	351,145,550.00	FXD	3-Nov-20	10 years	8.90%	350,688,475.36	-104,784.64
10	BD0920171107	350,000,000.00	3-Nov-10	350,915,950.00	FXD	3-Nov-20	10 years	8.90%	350,550,600.41	-83,771.17
11	BD0930201209	350,000,000.00	24-Nov-10	354,728,850.00	FXD	24-Nov-30	10 years	9.45%	354,202,225.88	-122,788.67
13	BD0921411106	200,000,000.00	4-May-11	200,000,000.00	FXD	4-May-21	10 years	9.45%	200,000,000.00	
34	BD0923261103	6,000,000.00	9-Jan-13	6,000,000.00	FXD	9-Jan-23	10 years	9.95%	6,000,000.00	
17	BD0922061108	7,500,000.00	22-Aug-12	7,500,000.00	ZC	22-Aug-22	10 years	11.75%	7,500,000.00	
19	BD0922101102	10,000,000.00	12-Sep-12	10,000,000.00	FXD	12-Sep-22	10 years	11.75%	10,000,000.00	
23	BD0922141108	8,200,000.00	10-Oct-12	8,200,000.00	FXD	10-Oct-22	10 years	11.80%	8,200,000.00	
27	BD0922181104	9,700,000.00	14-Nov-12	9,677,557.43	FXD	14-Nov-22	10 years	11.75%	9,681,934.51	1,565.51
30	BD0922221108	11,000,000.00	12-Dec-12	10,993,643.00	FXD	12-Dec-22	10 years	11.80%	10,994,844.43	439.19
41	BD0923381109	6,700,000.00	10-Apr-13	6,677,094.44	FXD	10-Apr-23	10 years	12.10%	6,680,841.62	1,507.08
43	BD0923241103	7,200,000.00	15-May-13	7,160,565.60	FXD	13-Mar-23	10 years	12.19%	7,165,441.11	2,020.56
44	BD0923341103	7,500,000.00	12-Jun-13	7,458,735.00	FXD	13-Mar-23	10 years	12.10%	7,463,582.01	2,059.52
37	BD0923301107	4,900,000.00	13-Feb-13	4,900,000.00	FXD	13-Feb-23	10 years	12.00%	4,900,000.00	
48	BD0923031100	4,000,000.00	17-Jul-13	3,993,187.34	FXD	17-Jul-23	10 years	12.22%	3,994,173.69	433.21
51	BD0923031100	3,700,000.00	21-Aug-13	3,684,360.77	FXD	17-Jul-23	10 years	12.22%	3,686,620.36	992.68
53	BD0923031100	4,700,000.00	18-Sep-13	4,682,234.00	FXD	17-Jul-23	10 years	12.22%	4,683,817.93	741.60
57	BD0923031100	3,400,000.00	13-Oct-13	3,387,035.80	FXD	17-Jul-23	10 years	12.28%	3,388,909.54	823.13
59	BD0923191102	2,900,000.00	18-Dec-13	2,892,750.00	FXD	20-Nov-23	10 years	12.16%	2,893,632.47	443.45
14	BD0916051057	200,000,000.00	3-Aug-11	200,000,000.00	FXD	3-Aug-16	5 years	8.30%	200,000,000.00	
12	BD0916051057	100,000,000.00	3-Aug-11	100,000,000.00	FXD	3-Aug-16	5 years	8.30%	100,000,000.00	
29	BD0917211056	8,400,000.00	5-Dec-12	8,409,386.78	FXD	5-Dec-17	5 years	11.52%	8,404,404.60	-1,806.36
18	BD0917091052	10,900,000.00	5-Sep-12	10,900,000.00	FXD	5-Sep-17	5 years	11.55%	10,900,000.00	
20	BD0927111155	4,400,000.00	19-Sep-12	4,400,000.00	FXD	19-Sep-27	5 years	11.88%	4,400,000.00	
22	BD0917131056	8,000,000.00	3-Oct-12	8,000,000.00	FXD	3-Oct-17	5 years	11.55%	8,000,000.00	
16	BD0917051056	11,600,000.00	8-Aug-12	11,600,000.00	ZC	8-Aug-17	5 years	11.50%	11,600,000.00	
36	BD0918291057	9,100,000.00	6-Feb-13	9,106,745.54	FXD	6-Feb-18	5 years	11.72%	9,103,407.68	-1,272.43
26	BD0917171052	4,800,000.00	7-Nov-12	4,796,426.64	FXD	7-Nov-17	5 years	11.52%	4,798,380.18	693.50
33	BD0918251051	9,400,000.00	2-Jan-13	9,406,984.51	FXD	2-Jan-18	5 years	11.38%	9,403,395.74	-1,331.63
38	BD0918331051	8,500,000.00	6-Mar-13	8,500,000.00	FXD	6-Mar-18	5 years	11.82%	8,500,000.00	
42	BD0918411051	4,800,000.00	8-May-13	4,791,115.20	FXD	8-May-18	5 years	11.70%	4,795,086.30	1,631.03
47	BD0918021058	5,500,000.00	10-Jul-13	5,493,896.16	FXD	10-Jul-18	5 years	11.75%	5,496,422.28	1,099.07
50	BD0918061054	5,800,000.00	14-Aug-13	5,793,567.81	FXD	14-Aug-18	5 years	11.78%	5,796,111.03	1,145.44
52	BD0918101058	7,800,000.00	11-Sep-13	7,785,589.86	FXD	11-Sep-18	5 years	11.78%	7,791,075.02	2,543.30

Sl.	Auction Number	Face Value	Purchase Date	Purchase Cost	Coupon Type	Redemption/ Maturity Date	Tenor	Coupon	Market Value	Increase/ Decrease Amortized Cost
56	BD0918141054	7,200,000.00	9-Oct-13	7,184,041.78	FXD	9-Oct-18	5 years	11.78%	7,189,881.98	2,791.51
61	BD0919141053	2,500,000.00	15-Oct-14	2,502,927.50	FXD	15-Oct-19	5 years	9.59%	2,502,348.50	-479.79
64	BD0919181059	2,300,000.00	12-Nov-14	2,356,347.74	FXD	12-Nov-19	5 years	9.66%	2,297,809.10	435.49
86	BD0920141050	105,800,000.00	14-Oct-15	105,800,000.00	ZC	14-Oct-20	5 years	7.35%	105,800,000.00	
63	BD0916171020	2,800,000.00	5-Nov-14	2,801,010.80	FXD	5-Nov-16	2 years	8.57%	2,800,457.79	-480.28
69	BD0917331029	700,000.00	4-Mar-15	640,463.46	ZC	4-Mar-17	2 years	8.54%	699,691.19	195.89
70	BD0936441163	250,000,000.00	20-Apr-15	231,336,500.00	ZC	18-Apr-16	364 Days	8.09%	244,411,204.67	13,074,704.67
71	BD0936441163	150,000,000.00	20-Apr-15	138,789,000.00	ZC	18-Apr-16	364 Days	8.10%	146,642,859.89	7,853,859.89
72	BD0936441163	100,000,000.00	20-Apr-15	92,483,400.00	ZC	18-Apr-16	364 Days	8.15%	97,749,150.00	5,265,750.00
73	BD0918201163	140,000,000.00	6-Jul-15	135,775,500.00	ZC	4-Jan-16	364 Days	6.24%	139,907,153.85	4,131,653.85
76	BD0918201163	100,000,000.00	6-Jul-15	96,945,000.00	ZC	4-Jan-16	364 Days	6.32%	99,932,857.14	2,987,857.14
77	BD0936402165	250,000,000.00	13-Jul-15	234,539,500.00	ZC	11-Jul-16	364 Days	6.61%	241,802,537.09	7,263,037.09
78	BD0936402165	130,000,000.00	13-Jul-15	121,880,720.00	ZC	11-Jul-16	364 Days	6.68%	125,694,997.14	3,814,277.14
79	BD0936402165	120,000,000.00	13-Jul-15	112,442,160.00	ZC	11-Jul-16	364 Days	6.74%	115,992,683.74	3,550,523.74
80	BD0936404161	150,000,000.00	27-Jul-15	140,881,950.00	ZC	25-Jul-16	364 Days	6.49%	144,814,735.30	3,932,785.30
81	BD0936404161	250,000,000.00	27-Jul-15	234,781,250.00	FXD	25-Jul-16	364 Days	6.50%	241,345,381.18	6,564,131.18
82	BD0936404161	100,000,000.00	27-Jul-15	93,877,200.00	ZC	25-Jul-16	364 Days	6.54%	96,518,078.02	2,640,878.02
74	BD0918201163	200,000,000.00	6-Jul-15	193,937,000.00	ZC	4-Jan-16	182 Days	6.27%	199,866,747.25	5,929,747.25
75	BD0918201163	100,000,000.00	6-Jul-15	96,959,100.00	ZC	4-Jan-16	91 Days	6.29%	99,933,167.03	2,974,067.03
83	BD0909114169	200,000,000.00	5-Oct-15	197,372,400.00	ZC	4-Jan-16	91 Days	5.34%	199,884,501.10	2,512,101.10
84	BD0909114169	100,000,000.00	5-Oct-15	98,683,800.00	ZC	4-Jan-16	91 Days	5.35%	99,942,145.05	1,258,345.05
85	BD0909115166	200,000,000.00	12-Oct-15	197,382,000.00	ZC	11-Jan-16	91 Days	5.32%	199,683,538.46	2,301,538.46
87	BD0909120166	200,000,000.00	16-Nov-15	198,741,600.00	FXD	15-Feb-16	91 Days	2.54%	199,363,885.71	622,285.71
88	BD0909120166	150,000,000.00	16-Nov-15	149,019,150.00	ZC	15-Feb-16	91 Days	2.64%	149,504,185.71	485,035.71
89	BD0909121164	140,000,000.00	23-Nov-15	138,929,700.00	FXD	22-Feb-16	91 Days	3.09%	139,376,638.46	446,938.46
90	BD0909121164	67,800,000.00	23-Nov-15	67,265,058.00	ZC	22-Feb-16	91 Days	3.19%	67,488,440.37	223,382.37
94	BD0909125165	140,000,000.00	21-Dec-15	139,015,800.00	ZC	21-Mar-16	91 days	2.84%	139,123,953.85	108,153.85
95	BD0909125165	83,100,000.00	21-Dec-15	82,505,585.70	ZC	21-Mar-16	91 days	2.89%	82,570,905.95	65,320.25
91	BD0203004165	200,000,000.00	21-Dec-15	199,387,200.00	ZC	20-Jan-16	30 days	3.74%	199,387,200.00	0.00
92	BD0203004165	200,000,000.00	21-Dec-15	199,379,000.00	ZC	20-Jan-16	30 days	3.79%	199,379,000.00	0.00
93	BD0203004165	140,000,000.00	21-Dec-15	139,553,820.00	FXD	20-Jan-16	30 days	3.89%	139,553,820.00	0.00
96	BD0203006160	200,000,000.00	23-Dec-15	199,403,600.00	ZC	22-Jan-16	30 days	3.64%	199,403,600.00	0.00

Sl.	Auction Number	Face Value	Purchase Date	Purchase Cost	Coupon Type	Redemption/ Maturity Date	Tenor	Coupon	Market Value	Increase/ Decrease Amortized Cost
97	BD0203006160	200,000,000.00	23-Dec-15	199,395,400.00	ZC	22-Jan-16	30 days	3.69%	199,395,400.00	0.00
98	BD0203006160	140,000,000.00	23-Dec-15	139,565,300.00	ZC	22-Jan-16	30 days	3.79%	139,565,300.00	0.00
99	BD0203009164	200,000,000.00	28-Dec-15	199,509,600.00	ZC	27-Jan-16	30 days	2.99%	199,509,600.00	0.00
100	BD0203010162	200,000,000.00	29-Dec-15	199,542,600.00	ZC	28-Jan-16	30 days	2.79%	199,542,600.00	0.00
101	BD0203010162	150,000,000.00	29-Dec-15	149,645,850.00	ZC	28-Jan-16	30 days	2.88%	149,645,850.00	0.00
102	BD0203011160	200,000,000.00	30-Dec-15	199,542,600.00	ZC	29-Jan-16	30 days	2.79%	199,542,600.00	0.00
103	BD0203011160	200,000,000.00	30-Dec-15	199,527,600.00	ZC	29-Jan-16	30 days	2.88%	199,527,600.00	0.00
		2,000,000.00	14-Dec-05	2,000,000.00		31-Dec-20			2,000,000.00	
		1,138,890.00	14-Oct-10	1,138,890.00		14-Oct-20			1,138,890.00	
		8,342,438,890		8,218,306,126					8,294,612,131	77,624,078

**State Bank of India
Bangladesh Operation**

**Highlights on the overall Activities
For the year ended December 31, 2015**

(Figures in Taka)

SL.	Particulars	2015	2014
1	Paid-up capital/Fund deposit with Bangladesh Bank	7,213,626,369	6,462,789,044
2	Capital surplus/(deficit)	4,362,845,022	2,573,311,841
3	Total assets	22,251,435,023	23,238,254,581
4	Total deposits	7,040,175,836	6,426,967,942
	Total Borrowings	5,728,327,960	4,255,354,493
5	Total loans & advances	10,202,895,793	9,821,094,267
6	Total contingent liabilities & commitments	20,672,529,472	17,433,057,369
7	Credit deposit ratio (Loans & advances/Deposits including obu)	79.91%	91.94%
8	Percentage of classified loans against total loans & advances	5.60%	10.32%
9	Profit after tax & provisions	916,940,101	676,002,538
10	Amount of classified loans during the current year	571,466,409	1,013,700,146
11	Provision kept against classified loans	428,695,045	646,773,046
12	Provisions surplus/(deficit)	49,985,808	136,611,643
13	Provision Coverage Ratio(%)	75.02%	63.80%
14	Cost of fund	3.87%	3.87%
15	Interest earning assets	123,551,892	164,323,486
16	Non-Interest earning assets	672,550,441	63,640,370
17	Return on Investment (ROI) [Int. Income from Investment/Total	6.49%	6.11%
18	Return on assets (ROA) [PAT/Average assets]	5.68%	4.59%
19	Return on Equity (ROE) [PAT/Average shareholders equity]	11.71%	11.97%
20	Income from investments	538,532,052	476,107,496
21	Cash reserve requirement (CRR) maintenance (%)	6.64%	6.75%
22	Statutory Liquidity Reserve maintenance (%)	117.62%	102.50%
23	Capital Adequacy Ratio (%)	79.07%	69.96%
24	Weighted average earning per share	Not Applicable	Not Applicable
25	Net income per share [(PAT-Dividend on preference share/No. of Ordinary	Not Applicable	Not Applicable
26	Price earning ratio (Market price per share/EPS)	Not Applicable	Not Applicable
27	Net Asset Value per Share (NAV) [(Shareholders equity- Preference	Not Applicable	Not Applicable