

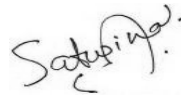
State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Balance Sheet
As at December 31, 2014

	Notes	Amount in Taka	
		2014	2013
PROPERTY AND ASSETS			
Cash	03	686,337,298	599,601,901
Cash in hand (Including foreign currency)		32,090,353	34,836,529
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		654,246,945	564,765,372
Balance with other banks and financial institutions	04	245,134,875	571,910,990
Inside Bangladesh		13,645,219	41,323,438
Outside Bangladesh		231,489,656	530,587,553
Money at call and short notice	05	1,390,000,000	1,120,000,000
Investments	06	7,786,438,442	7,374,962,729
Government		7,783,299,552	7,371,823,839
Others		3,138,890	3,138,890
Loans and advances	07	8,899,272,434	8,521,769,079
Loans, cash credit, overdrafts etc.		8,829,864,854	8,423,555,623
Bills purchased & discounted		69,407,580	98,213,456
Fixed assets including premises, furniture and fixtures	08	71,926,740	80,778,772
Other assets	09	381,047,201	428,705,194
Non-banking assets	10	-	-
Total property and assets		19,460,156,989	18,697,728,665
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,255,354,493	3,987,751,500
Deposit and other accounts	12	6,445,537,551	6,284,063,237
Current & other accounts		1,557,656,800	1,501,577,775
Saving deposits		454,108,015	398,830,919
Fixed deposits		3,815,388,433	4,054,814,825
Other deposits		618,384,304	328,839,718
Other liabilities	13	1,480,802,476	1,650,374,290
Total liabilities		12,181,694,520	11,922,189,027
Capital and shareholders' equity			
Fund deposited with Bangladesh Bank	14	6,462,789,044	4,556,354,048
Surplus in profit and loss account/ Retained earnings	15	773,449,677	2,136,779,545
Other reserve	16	42,223,747	82,406,044
Total shareholders' equity		7,278,462,468	6,775,539,638
Total liabilities and shareholders' equity		19,460,156,989	18,697,728,665

The accompanying notes form an integral part of these financial statements

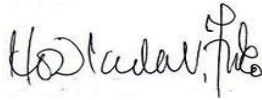


Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO
Chartered Accountants

Dated: Dhaka-February 26, 2015

Notes	Amount in Taka	
	2014	2013

Off-Balance Sheet Items

Contingent Liabilities

Acceptances and endorsements	-	-
Letter of guarantees	16,635,218,015	6,717,998,139
Irrevocable letter of credits	808,271,699	851,114,451
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	17,443,489,714	7,569,112,590

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	-	-

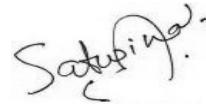
Total Off-Balance Sheet items including contingent liabilities

17,443,489,714	7,569,112,590
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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-February 26, 2015

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Profit and Loss Account
For the year ended December 31, 2014


	Notes	Amount in Taka	
		2014	2013
Operating Income			
Interest income	18.1	907,742,018	1,201,416,017
Interest paid on deposits and borrowing etc.	19	531,474,794	748,587,584
Net interest income		376,267,224	452,828,433
Investment income	20	666,122,315	501,245,275
Commission, exchange and brokerage	21	495,305,905	398,301,737
Other operating income	22	1,594,245	2,488,675
		1,163,022,465	902,035,687
Total operating income		1,539,289,690	1,354,864,120
Salaries and allowances	23	67,031,774	76,411,293
Rent, taxes, insurance, electricity etc.	24	69,581,689	62,567,687
Legal expenses		2,195,614	2,428,503
Postage, stamps, telecommunication etc.	25	4,557,142	4,349,038
Stationery, printing, advertisement etc.	26	4,806,967	4,602,002
Chief Executive's salary & fees		-	-
Directors' fees & expenses		-	-
Auditors' fee	27	500,000	376,125
Charges on loan losses		-	-
Depreciation and repairs to bank's assets	28	21,662,602	19,916,472
Other expenses	29	80,542,332	101,205,800
Total operating expenses		250,878,120	271,856,920
Profit/(loss) before provisions		1,288,411,570	1,083,007,200
Provision for	30		
Loans and advances		144,083,366	380,176,186
Provision for diminution in value of investments		-	-
Off-balance sheet items		99,272,488	10,664,711
Off-shore Banking Unit		8,973,926	3,552,121
Total provision		252,329,780	394,393,018
Profit/(loss) before taxes		1,036,081,790	688,614,182
Provision for Tax			
Current tax expense	13.5	488,309,032	465,000,000
Deferred tax expense/ (income)	13.6	758,981	(13,937,129)
		489,068,013	451,062,871
Total profit/(loss) after taxes		547,013,778	237,551,311
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividend		-	-
Retained earnings		547,013,778	237,551,311

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-February 26, 2015

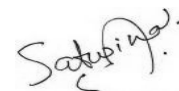
State Bank of India
Bangladesh Operation
Domestic Banking Unit
Cash Flow Statement
For the year ended December 31, 2014

	Amount in Taka	
	2014	2013
A. Cash flows from operating activities		
Interest receipts	1,485,448,836	1,617,764,750
Interest payment	(567,332,309)	(704,313,299)
Dividend received	2,855,903	6,282,986
Fees & commissions receipts	447,758,302	345,279,827
Received from loan write off recovery	-	3,310,976
Cash payments to employees	(64,902,724)	(68,279,593)
Cash payments to suppliers	-	-
Income tax paid	(302,071,675)	(447,321,436)
Receipts from other operating activities	1,611,131	2,488,675
Payment for other operating activities	(166,617,105)	(178,138,249)
Operating profit/(loss) before changes in operating assets & liabilities	836,750,358	577,074,637
Increase/decrease in operating assets & liabilities		
Loans & advances to customers	(496,700,095)	1,518,045,928
Other assets	(275,850,049)	312,544,805
Deposits from other Banks	604,836,138	454,760,048
Deposits from customers	161,474,315	(590,122,677)
Other liabilities	(426,954,891)	51,463,457
Cash utilised in operating assets & liabilities	(433,194,582)	1,746,691,560
Net cash from operating activities	403,555,776	2,323,766,197
B. Cash flows from investing activities		
Payments for purchase of securities	(411,777,514)	(3,271,412,420)
Investment in prize bond	301,800	-
Purchase/sale of property, plant & equipment	(9,970,185)	(16,837,115)
Net cash used in investing activities	(421,445,898)	(3,288,249,535)
C. Cash flows from financing activities		
Receipts from the capitalization	-	-
Net cash flows from financing activities	-	-
Net increase/decrease in cash	(17,890,123)	(964,483,338)
Effects of exchange rate changes on cash & cash equivalent	47,547,603	53,021,910
Cash and cash equivalents at the beginning of year	2,292,806,292	3,204,267,720
Cash and cash equivalents at the end of year (Note-17.4)	2,322,463,773	2,292,806,292

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-February 26, 2015

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 2014	4,556,354,049	82,406,044	2,136,779,546	6,775,539,638
Net profit for the year (OBU)	-	-	110,402,563	110,402,563
Net profit for the year (DBU)	-	-	434,060,213	434,060,213
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 which were kept as Capital	-	-	-	-
Adjustment for Exchange Fluctuation of OBU	-	-	(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
Balance as of 01 January 2013	4,457,268,453	20,214,982	1,998,313,829	6,475,797,264
Net profit for the year (OBU)	-	-	108,232,179	108,232,179
Net profit for the year (DBU)	-	-	129,319,132	129,319,132
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	-	(20,214,982)	-	(20,214,982)
Amortization gain on HTM Securities	-	82,406,044	-	82,406,044
Fund utilised as Capital	1,052,654,048	-	(1,052,654,048)	-
Fund released as Capital	(953,568,453)	-	953,568,453	-
Balance as of 31 December 2013	4,556,354,049	82,406,044	2,136,779,546	6,775,539,638



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-February 26, 2015

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
As at December 31, 2014

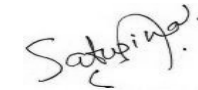
(Figures in Taka)

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand	32,090,353	-	-	-	-	32,090,353
Balance with Bangladesh Bank	654,246,945	-	-	-	-	654,246,945
Balance with other bank, Other Banks and financial Institutions (Including foreign currencies)	245,134,875	-	-	-	-	245,134,875
Money at call and on short notice	1,390,000,000	-	-	-	-	1,390,000,000
Investments	991,600	4,222,881,014	307,993,851	756,654,279	2,497,917,699	7,786,438,442
Loans and advances	303,910,289	5,747,817,530	783,045,848	923,807,179	1,140,691,587	8,899,272,433
Fixed assets including premises, furniture & fixtures	-	-	-	-	71,926,740	71,926,740
Other assets	-	-	-	-	381,047,201	381,047,201
Non-banking assets	-	-	-	-	-	-
Total Assets	2,626,374,061	9,970,698,544	1,091,039,699	1,680,461,458	4,091,583,227	19,460,156,989
LIABILITIES						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	-	4,255,354,493	-	-	-	4,255,354,493
Deposits & other accounts	2,071,342,889	1,129,900,244	376,457,058	986,113,091	1,881,724,270	6,445,537,551
Provision & Other Liabilities	-	220,154,974	253,890,393	270,256,492	8,014,963,085	8,759,264,944
Total liabilities	2,071,342,889	5,605,409,711	630,347,451	1,256,369,583	9,896,687,355	19,460,156,989
Amount of net liquidity difference	555,031,172	4,365,288,832	460,692,248	424,091,875	(5,805,104,128)	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-February 26, 2015

State Bank of India
Bangladesh Operation
Domestic and Off-shore Banking Unit
Notes to Financial Statements
For the year ended December 31, 2014

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 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 Gain/ Loss to Revaluation reserve
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.

- (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:

<u>(i) 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%
<u>(ii) 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 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 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
Satwinder Singh	HRMD	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 8 (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	
		2014	2013
3. Cash			
A. Cash in hand			
Local currency		22,801,499	28,700,570
Foreign currency (including OBU)		8,185,354	5,120,959
ATM cash balance		1,103,500	1,015,000
		<u>32,090,353</u>	<u>34,836,529</u>
B. Balance with Bangladesh bank and its agent bank(s)			
Local currency	(Note: 3.1)	551,103,167	522,004,138
Foreign currency		103,143,778	42,761,234
		<u>654,246,945</u>	<u>564,765,372</u>
Sonali bank as agent of Bangladesh bank (local currency)		-	-
		<u>654,246,945</u>	<u>564,765,372</u>
		<u>686,337,298</u>	<u>599,601,901</u>
3.1 Local currency			
Lien with Bangladesh Bank		-	440,000,000
Free Balance with Bangladesh Bank		551,103,167	82,004,138
		<u>551,103,167</u>	<u>522,004,138</u>
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)		478,816,490	394,141,156
Actual reserve maintained		538,721,000	487,467,277
Surplus/ (deficit)		<u>59,904,510</u>	<u>93,326,121</u>
Maintained(%)		6.75%	6.80%
ii. Bi- Weekly bank's CRR maintenance			
Required reserve (6% of total time & demand liabilities)		1,037,435,720	429,972,170
Actual reserve maintained		7,785,274,540	495,898,000
Surplus/ (deficit)		<u>6,747,838,820</u>	<u>65,925,830</u>
Maintained(%)		9.89%	6.92%
3.2.2 Statutory Liquidity Reserve (SLR)			
Required reserve (19% of total time & demand liabilities)		1,037,435,720	1,361,578,530
Actual reserve maintained		7,785,274,540	3,611,689,436
Surplus/ (Deficit)		<u>6,747,838,820</u>	<u>2,250,110,906</u>
Maintained(%)		102.50%	50.40%
4 Balance with other banks and financial institutions			
Inside Bangladesh	(Note: 4.1)	13,645,219	41,323,438
Outside Bangladesh (Details are given in Annexure- A)	(Note: 4.2)	50,607,594	304,913,581
		<u>64,252,813</u>	<u>346,237,019</u>
Off-shore Banking Unit		180,882,062	225,673,972
		<u>245,134,875</u>	<u>571,910,990</u>
4.1 Balance with other banks and financial institutions (Inside Bangladesh)			
On demand deposit accounts (Current account)			
Uttara Bank		4,378,756	12,187,531
Sonali Bank		70,667	72,817
Pubali Bank		3,276,267	2,536,462
		<u>7,725,690</u>	<u>14,796,811</u>
On short term deposit (STD) accounts			
Uttara Bank		2,115,912	16,085,590
Standard Chartered Bank-ATM settlement A/C		3,803,617	10,441,037
		<u>5,919,529</u>	<u>26,526,627</u>
		<u>13,645,219</u>	<u>41,323,438</u>

Amount in Taka	
2014	2013

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)	15,588,913	99,054,681
State Bank of India, London	464,742	1,228,457
State Bank of India, New York	7,539,084	51,745,088
State Bank of India, Japan	174,622	198,293
	23,767,361	152,226,519

On demand deposit accounts (Interest bearing)

Standard Chartered Bank, Karachi Branch	-	180,794
Deutsche Bank, Mumbai	-	9,209,711
JP Morgan Chase Bank	14,143,158	136,098,533
ACU Dollar Nostro a/c	2,629,470	3,677,848
Wachovia Bank	-	-
Bank of America	6,189,501	899,886
Deutsche Bank Trust Company, New York	3,878,105	2,620,291
	26,840,233	152,687,062

	50,607,594	304,913,581
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4.3 Foreign currency wise break-up

Currency name	Amount in FC	Conversion rate		
US Dollar	442,890	77.6250	34,379,317	204,432,150
Great Britain Pound	3,633	127.9106	464,742	1,228,457
EURO	146,066	106.7254	15,588,913	99,054,681
Japanese Yen	236,072	0.7397	174,622	198,293
			50,607,594	304,913,581

5 Money at call and short notice

Banking company

Mercantile Bank Limited	-	150,000,000
Jamuna Bank Limited	230,000,000	-
Southeast Bank Limited	-	300,000,000
Commercial Bank of Ceolon	210,000,000	-
Bank Asia Limited	230,000,000	-
One Bank Limited	70,000,000	-
Brac Bank Limited	120,000,000	300,000,000
NCC Bank Limited	150,000,000	250,000,000
The City Bank Limited	150,000,000	-
Mutual Trust Bank Limited	230,000,000	120,000,000
	1,390,000,000	1,120,000,000

Off-shore Banking Unit

	1,390,000,000	1,120,000,000
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5.1 Maturity grouping of money at call and short notice

Up to one month	1,390,000,000	1,120,000,000
Over one month but below three months	-	-
Over three months but below one year	-	-
Over one year but below five years	-	-
Over five years	-	-
	1,390,000,000	1,120,000,000

6 Investments

Government Securities	(Note: 6.1)	7,783,299,552	7,371,823,839
Other Investments	(Note: 6.2)	3,138,890	3,138,890
		7,786,438,442	7,374,962,729
Off-shore Banking Unit		-	-
		7,786,438,442	7,374,962,729

Investment in securities are classified as follows:

Held for trading	-	-
Held to maturity	7,783,299,552	7,371,823,839
Other Investments	3,138,890	3,138,890
	7,786,438,442	7,374,962,729

		Amount in Taka	
		2014	2013
Treasury bills and treasury bonds amounting Tk.411.6 crore has been pledged with Bangladesh Bank for Capital Purpose. Details of investments are given in Annexure- F)			
6.1 Government securities			
Treasury bill			
91 day Treasury bills		2,806,306,560	2,525,532,604
182 day Treasury bills		1,416,574,453	1,301,309,692
364 day treasury bills		307,993,851	310,188,143
		4,530,874,865	4,137,030,439
Treasury bond			
2 year Treasury Bonds		12,881,139	13,200,000
5 year Treasury Bonds		743,773,140	751,800,000
10 year Treasury Bonds		1,155,921,128	1,147,400,000
15 year Treasury Bonds		421,421,888	417,400,000
20 year Treasury Bonds		917,435,793	903,700,000
		3,251,433,088	3,233,500,000
Prize bonds		991,600	1,293,400
		7,783,299,552	7,371,823,839
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			
Payable on demand		991,600	1,293,400
Below three months		4,222,881,014	3,585,487,908
Over three months but below one year		307,993,851	554,642,530
Over one year but below five years		756,654,279	757,100,000
Over five years		2,494,778,809	2,476,438,890
		7,783,299,552	7,374,962,729
7 Loans and advances			
Loans, Cash Credits, Overdrafts etc.:			
Domestic Banking Unit:			
Overdrafts		678,473,521	798,027,383
Demand loans		788,850	877,380
Cash credit		1,306,625,950	1,741,916,384
House building loan		144,475,421	158,723,452
Transport loan		705,973,651	414,500,000
Term loans		980,103,340	905,510,616
Loan against trust receipts		33,930,424	346,649,639
Agricultural loan		102,906,000	108,415,018
Staff loans	(Note - 7.6)	35,540,001	38,530,529
		3,988,817,159	4,513,150,401
Off-shore Banking Unit		4,841,047,695	3,910,405,223
		8,829,864,854	8,423,555,623
Bills purchased & discounted:			
Domestic Banking Unit	(Note - 7.15)	38,833,728	51,991,572
Off-shore Banking Unit		30,573,852	46,221,884
		69,407,580	98,213,456
		8,899,272,434	8,521,769,079
7.1 Net loans and advances			
Gross loans and advances		8,899,272,434	8,521,769,079
Less:			
Interest suspense		98,673,668	135,636,098
Provision for loans & advances		851,842,901	786,450,059
		950,516,568	922,086,157
		7,948,755,866	7,599,682,922

		Amount in Taka	
		2014	2013
Consumers			
i) Commercial lending		35,369,000	65,934,012
ii) Export financing		33,930,424	174,500,000
iii) House building loan		144,475,421	158,723,452
iv) Small and medium enterprise		797,031,000	256,800,000
v) Non-banking financial institutions		76,197,911	104,376,911
vi) Others		528,427,796	624,076,548
		1,615,431,553	1,384,410,923
Off-shore banking unit			
		4,871,621,547	3,956,627,107
		8,899,272,434	8,521,769,079
7.6 Staff loan			
Overdraft Loan		17,251,480	18,276,897
Car and motorcycle Loan		273,599	447,229
House building Loan		18,014,922	19,806,403
		35,540,001	38,530,529
7.7 Detail of large loan			
Total capital of the Bank was Taka 727.84 million as at 31 December 2014 (Taka 677.55 million at 31 December 2013 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		3,013,950,741	3,380,998,500
Special Mention Account (SMA)		-	26,593,512
		3,013,950,741	3,407,592,012
Offshore Banking Unit		4,871,621,547	3,956,627,107
Classified			
Sub standard		179,039,848	171,842,790
Doubtful		-	415,083,534
Bad / Loss		834,660,297	570,623,637
		1,013,700,146	1,157,549,961
		8,899,272,434	8,521,769,079
7.9 Loan type wise classified loan			
Overdraft		678,473,521	843,826,948
Demand Loan		788,850	877,380
Term Loan		1,263,024,762	1,587,149,086
Cash Credit		2,085,363,753	2,133,288,559
Off-shore banking unit		4,871,621,547	3,956,627,107
		8,899,272,434	8,521,769,079
7.10 Sector-wise allocation of loans and advances			
Private			
Agriculture, fishing, forestry and dairy firm		102,906,000	108,415,018
Industry (jute, textile, garments, chemicals, cements etc.)		737,022,703	1,724,902,810
Working capital financing		1,411,537,748	1,599,907,838
Export credit		33,930,424	174,500,000
Commercial credit		35,369,000	65,934,012
Small and cottage industries		797,031,000	256,800,000
Miscellaneous		909,854,011	634,682,295
		4,027,650,887	4,565,141,973
Off-shore banking unit		4,871,621,547	3,956,627,107
		8,899,272,434	8,521,769,079
7.11 Securities against loans/advances including bills purchase and discount			
Collateral of moveable/immoveable assets		2,672,305,295	3,028,925,150
Non-banking financial institutions guarantee		175,712,001	199,160,815
Local banks/foreign banks guarantee		5,175,542,496	4,301,106,388
Export documents		45,870,184	51,991,572
Cash and quasi cash		165,601,697	187,701,288
Personal guarantee		389,280,825	441,230,455
Other securities		274,959,936	311,653,413
		8,899,272,433	8,521,769,079

Amount in Taka	
2014	2013

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 2013
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing & loans for professional)	2,293,842,826	2,293,842,826	1%	22,938,428	25,222,733
Small & Medium enterprise financing	581,863,257	581,863,257	0.25%	1,454,658	1,712,213
Housing & loan for professional	91,224,710	91,224,710	2%	1,824,494	2,308,532
Consumer finance	11,479,948	11,479,948	5%	573,997	994,139
Special Mentioned Account (SMA)	-	-	5%	-	1,329,676
Staff Loan	35,540,001	35,540,001	0%	-	-
Off Shore Banking Unit	4,871,621,547	4,871,621,547	1%	48,716,215	39,566,271
Total	7,885,572,288	7,885,572,288	N/A	75,507,793	71,133,564

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

Name of Exposure	Outstanding	Rate (%)	Required provision December 2014	Required provision December 2013
Acceptances and endorsements	-	1%	-	-
Letter of guarantees	16,635,218,015	1%	166,352,180	67,179,981
Irrevocable letter of credits	808,271,699	1%	8,082,717	7,879,989
Total	17,443,489,714	1%	174,434,897	75,059,970

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

249,942,691

146,193,534

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

253,890,393

147,541,482

Excess/ (Short) provision at 31 December 2014

3,947,702

1,347,949

Provision required for classified loans & advances (Specific provision)

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2014	Required provision December 2013
Sub-standard	179,039,848	130,388,206	20%	26,077,641	10,040,635
Doubtful	-	-	50%	-	147,691,181
Bad/Loss	834,660,297	585,126,109	100%	585,126,109	401,474,126
Total	1,013,700,146	715,514,315	N/A	611,203,751	559,205,942

Total provision maintained for classified assets:

Sub Standard

36,717,762

45,255,184

Doubtful

-

158,621,843

Bad/loss

610,055,285

435,031,550

646,773,046

638,908,577

Excess/ (Short) of provision

35,569,296

79,702,635

7.13 Particulars of loans and advances

i) Debts considered good in respect of which Bank is fully secured	7,892,359,712	7,323,296,522
ii) Debts considered good for which Bank holds no other security than the debtor's personal guarantee	673,264,418	763,111,734
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	333,648,304	435,360,823
iv) Debts adversely classified; for which no provision is created	-	-
	8,899,272,434	8,521,769,079
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	
	2014	2013
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.	-	3,310,976
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	610,055,285	435,031,550
c) Interest creditable to the Interest Suspense a/c.	98,673,668	135,636,098
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	283,017,980	363,963,292
Chittagong Region	692,855,032	762,172,158
Sylhet Region	37,827,133	31,414,512
	1,013,700,146	1,157,549,961
7.15 Bill purchase & discount under the following broad categories (DBU)		
Inside Bangladesh	38,833,728	34,022,698
Outside Bangladesh	-	17,968,874
	38,833,728	51,991,572
Off-shore Banking Unit	30,573,852	46,221,884
	69,407,580	98,213,456
7.16 Maturity wise grouping of bill purchase & discount		
Payable within 1 month	-	5,390,662
Over 1 month but less than 3 months	-	58,800,096
Over 3 months but less than 6 months	30,573,852	26,953,311
6 months and more	38,833,728	7,069,387
	69,407,580	98,213,456
7.17 Write off of loans & advances		
Balance at the beginning of the year	19,650,813	22,961,789
Add: Write off during the year	136,898,141	-
	156,548,954	22,961,789
Less: Recovery of Write off loans	-	3,310,976
	156,548,954	19,650,813
8 Fixed assets including premises, furniture and fixtures		
A. Cost		
Opening balance	169,153,823	169,153,823
Add: Addition during the year	9,970,185	18,297,899
	179,124,008	187,451,722
Less: Disposal/adjustment during the year	4,565,692	1,460,784
	174,558,316	185,990,938

	Amount in Taka	
	2014	2013
B. Accumulated Depreciation		
Opening balance	80,778,772	87,913,722
Add: Charged during the year	17,287,112	17,298,444
	98,065,884	105,212,166
Less: Disposal/adjustment during the year	(4,565,692)	-
	102,631,576	105,212,166
Written down value (A-B)	71,926,740	80,778,772
Off-shore Banking Unit	-	-
	71,926,740	80,778,772

(Details are given in Annexure- C)

9 Other assets

Domestic Banking Unit	(Note - 9.1)	227,963,856	245,477,733
Off-shore Banking Unit		153,083,345	183,227,461
		381,047,201	428,705,194

OBU's retained earning amounting to Tk.123,074,180 erroneously transferred to DBU's surplus profit & loss account. Now being corrected accordingly & included in other liabilities which is payable to OBU.

9.1 Domestic Banking Unit

Income generating other assets :

Interest receivable on Treasury Bond	163,406,032	60,185,048
Interest receivable on bill purchase & discount	-	17,052,758
Interest receivables on Call Money	917,454	357,778
	164,323,486	77,595,583

Bank's actual interest receivable in investments is Tk.163,406,032 in 2014 and Tk.60,185,048 in 2013 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 4.22 crore taka from interest receivables and increase the investment amount as per B.Bank instruction.

Non income generating other assets :

Stationery, stamps, printing materials etc.	2,650,009	971,502
Advance rent and advertisement	58,122,654	60,202,876
Memento coin	154,000	45,500
Deferred expenses	-	204,892
Excise duty	2,363,130	2,511,880
Inter Branch lending(FC)	-	-
ISO reconciliation	350,577	35,500
Advance payment of Income Tax	-	103,900,000
Others	-	10,000
	63,640,370	167,882,150
	227,963,856	245,477,733

Inter branch lending amounting to Tk.467,022,145.08 in 2014 and Tk.129,789,000 in 2013 has been netted of with borrowing from Domestic Banking Unit (DBU) by Off-share Banking Unit (OBU) and netted figure shown in the balance sheet.

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 2014.

11 Borrowing from other banks, financial institutions and agents

Domestic banking unit	-	-
Off-shore banking unit	4,255,354,493	3,987,751,500
	4,255,354,493	3,987,751,500

Inter branch lending amounting of Tk.129,789,000 in 2013 and Tk.320,525,433 in 2012 has been netted of with borrowings from Domestic Banking Unit (DBU) by Off-share Banking Unit (OBU) and netted figure shown in the balance sheet.

12 Deposit and other accounts

Local Currency

Current & other accounts	1,168,966,129	1,186,125,823
Bills payable	29,211,898	36,014,747
Saving deposits	454,108,015	398,830,919
Fixed deposits	3,815,388,433	4,054,814,825
Short term deposit	363,607,161	219,245,820
Other deposits	254,777,143	109,593,898
	6,086,058,778	6,004,626,031

	Amount in Taka	
	2014	2013
Foreign currency		
Current account	212,268,652	148,886,715
Other deposits	86,669,882	106,267,600
	298,938,534	255,154,315
Total Domestic Banking Unit (DBU) deposit and other accounts	6,384,997,312	6,259,780,347
Off-shore Banking Unit	60,540,239	24,282,890
	6,445,537,551	6,284,063,237

12.1 Deposit details concentrating liquidity nature

i) Demand deposit

Current deposit	1,168,966,129	1,210,408,713
Saving deposit (9%)	45,410,801	39,883,092
Foreign currency deposit	212,268,652	148,886,715
Short term deposit	138,294,047	101,788,493
Other demand deposit-local currency	254,777,143	109,593,898
Other demand deposit-foreign currency	86,669,882	106,267,600
	1,906,386,653	1,716,828,511

ii) Time deposit

Saving deposit (91%)	408,697,213	358,947,827
Fixed deposit	3,815,388,433	4,054,814,824
Foreign currency deposit	-	-
Short term deposit	254,525,013	153,472,074
	4,478,610,658	4,567,234,725
	6,384,997,312	6,284,063,237

12.2 Maturity wise grouping of deposits

Payable on demand	-	-
Payable within 1 month	2,010,802,650	1,971,368,552
Over 1 month but within 3 months	1,129,900,244	1,107,741,632
Over 3 month but within 1 year	376,457,058	369,074,312
Over 1 year but within 5 years	986,113,091	991,057,196
Over 5 years	1,881,724,269	1,844,821,543
	6,384,997,313	6,284,063,237

13 Other liabilities

Fixed deposit interest account		85,089,388	110,129,341
Provision on loans and advances	(Note-13.1)	900,663,440	786,450,059
Interest suspense's account	(Note-13.3)	98,673,668	135,636,098
Withholding tax payable (Payable on interest)	(Note-13.4)	1,196,245	562,210
Provision for current taxation	(Note-13.5)	270,256,492	483,507,955
Provision for deferred tax	(Note-13.6)	(8,946,097)	(9,705,078)
Inter branch adjustment account		55,215	50,437
Foreign Currency Margin on Guarantee Account		1,132,038	3,707,370
Non Resident Foreign C.D. Account		-	7,916,663
ACU EURO Account		80,919,915	91,021,256
Provision for gratuity		27,277,600	27,277,600
Provision for audit fees		388,125	330,625
Other Provision		21,329,050	-
		1,478,035,075	1,636,884,536
Off-shore Banking Unit		2,767,400	13,489,754
		1,480,802,476	1,650,374,290

OBU's retained earning erroneously transferred to DBU surplus profit & loss account. So, we have created a new head amounting to Tk. 123074180 in other liabilities which is payable to OBU. On 2015 the amount will be adjusted.

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.

	Amount in Taka	
	2014	2013
a. General		
Balance at the beginning of the year	107,975,211	138,779,840
Add: Provision made during the year	97,094,644	-
Less: Recoveries and provision no longer required	-	30,804,629
	205,069,855	107,975,211
b. Specific		
Balance at the beginning of the year	638,908,577	178,971,113
Add: Provision charged to Profit & Loss Account	146,261,210	421,645,526
Add: Provision transfer from Interest Income	-	38,291,938
Less: Recoveries and provision no longer required	19,200,000	-
Less: Interest waiver during the year	-	-
Less: Write off during the year	119,196,741	-
	646,773,046	638,908,577
c. Off-shore Banking Unit	48,820,538	39,566,271
Net actual provision at the end of year (a+b+c)	900,663,440	786,450,059

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:

Balance at the beginning of the year	75,059,970	64,395,259
Add: Provision made/ (Adjusted) during the year	99,272,488	10,664,711
	174,332,458	75,059,970

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 special mentioned account (SMA), 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	135,636,098	27,523,878
Add: Provision made during the year	-	108,112,220
	135,636,098	135,636,098
Less: Amount of interest suspense recovered	19,261,030	-
Less: Write off during the year	17,701,400	-
Less: Interest waiver during the year	-	-
	98,673,668	135,636,098

13.4 Withholding tax payable (Payable on interest)

Balance at the beginning of the year	562,210	759,716
Add: Addition during the year	63,231,804	62,400,263
	63,794,014	63,159,979
Less: paid during the year	62,597,769	62,597,769
	1,196,245	562,210

13.5 Provision for current taxation

Balance at the beginning of the year	483,507,955	586,000,000
Add: Provision made during the year	488,309,032	465,000,000
	971,816,987	1,051,000,000
Less: Adjustment of tax provision for previous years	483,507,955	567,492,045
Adjustment with advance tax	218,052,540	-
	701,560,495	567,492,045
	270,256,492	483,507,955

Assessment for the year 2011 (Assessment year 2012-2013) is under review with the Appellate Tribunal. Income tax return for the year 2012 (Assessment year 2013-2014), hearing has already been completed and Income Tax Return for the year 2013 (Assessment Year 2014-15) has already been submitted. (Details are in Annexure-D)

	Amount in Taka	
	2014	2013
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	(9,705,078)	4,232,051
Add: Deferred Tax Expense/ (Income) during the year	758,981	(13,937,129)
	(8,946,097)	(9,705,078)

14 Fund deposited with Bangladesh Bank

Securities lien with Bangladesh Bank	6,462,789,044	4,116,354,048
Current Account balance lien with Bangladesh Bank	-	440,000,000
	6,462,789,044	4,556,354,048

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:

A. Regulatory capital

1. Tier-1 (Core capital)	(Note 14.1.1)	7,236,238,721	6,693,133,593
2. Tier-2 (Supplementary capital)	(Note 14.1.2)	275,002,266	188,744,504
3. Tier-3 (Additional supplementary capital) (Note 21)	(Note 14.1.3)	-	-
A. Total regulatory Capital (1+2+3)		7,511,240,988	6,881,878,098

B. Total Risk Weighted Assets (RWA)	(Note 14.2)	9,395,590,722	14,311,195,142
C. Capital Adequacy Ratio (CAR) (as against required above 10.00%)		79.94%	48.09%
D. Core capital to RWA (as against required minimum 5.00%)		77.02%	46.77%
E. Supplementary capital to RWA		3.66%	2.74%
F. Minimum Capital Requirement (MCR)			
10 % of RWA		939,559,072	1,431,119,514
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)		3,511,240,988	2,881,878,098
-------------------------	--	---------------	---------------

14.1.1 Tier - I (Core Capital)

Fund deposit with Bangladesh Bank	6,462,789,044	4,556,354,048
Surplus in profit & loss accounts/Retained earnings	773,449,677	2,136,779,545
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	7,236,238,721	6,693,133,593

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	7,236,238,721	6,693,133,593

		Amount in Taka	
		2014	2013
14.1.2 Tier - II (Supplementary Capital)			
General Provision		253,890,393	147,541,482
Asset revaluation reserve		21,111,874	41,203,022
Preference Share		-	-
Perpetual Subordinated debt		-	-
Exchange Equalization Fund		-	-
Sub-total		275,002,266	188,744,504
Deduction (Investment in subsidiary)		-	-
Total eligible Tier - II Capital		275,002,266	188,744,504
14.1.3 Tier-III (Additional Supplementary Capital)			
Short term sub-ordinated debt		-	-
Total eligible Tier-III capital		-	-
Total regulatory capital		7,511,240,988	6,881,878,098
14.2 Risk Weighted Assets (RWA)			
1. Investment (credit) Risk		7,120,385,794	12,322,195,142
(i) On-balance sheet		6,707,745,720	8,575,391,886
(ii) Off-balance sheet		412,640,075	3,746,803,256
2. Market Risk		12,684,022	29,500,000
3. Operational risk		2,262,655,347	1,959,500,000
		9,395,725,164	14,311,195,142
(Details are given in Annexure- G)			
15 Surplus in profit and loss account/ retained earnings			
Balance at the beginning of the year		1,925,679,420	1,895,445,884
Add: Net Profit for the year		434,060,213	129,319,131
Add: Excess profit remittance tax written off		-	-
Add: Net Profit received from Off-share Banking Unit (OBU)		-	-
Less: Transfer to deposit with Bangladesh Bank		1,906,434,996	99,085,595
		453,304,637	1,925,679,420
Off-shore banking unit:			
Opening balance		211,100,125	102,867,946
Add: Net profit during the year		110,402,563	108,232,180
Less: Exchange Translation loss		1,357,648	-
		320,145,040	211,100,125
		773,449,677	2,136,779,545
16 Other reserve			
Balance at the beginning of the year		82,406,044	20,214,981
Add: Amortization gain on HTM securities		42,223,747	82,406,044
		124,629,791	102,621,025
Less: Transferred to Profit & Loss Account at maturity		82,406,044	20,214,981
		42,223,747	82,406,044
Off-shore Banking Unit		-	-
		42,223,747	82,406,044
17 Contingent liabilities			
Bills for collection		-	-
Import Letters Of Credit - Sight		797,839,354	472,730,740
Import Letters Of Credit - Usance		-	315,268,123
Import Letters Of Credit - Back to Back		-	-
Letter of guarantee	(Note 17.1)	16,635,218,015	6,717,998,139
		17,433,057,369	7,505,997,002
Off-shore Banking Unit		10,432,345	63,115,588
		17,443,489,714	7,569,112,590
17.1 Letter of guarantee			
Letter of Guarantee (Local)		-	873,339,758
Letter of Guarantee (Foreign)		16,635,218,015	5,844,658,381
Foreign counter Guarantee		-	-
		16,635,218,015	6,717,998,139
Less: margin		108,692,716	3,707,370
		16,526,525,299	6,714,290,769

	Amount in Taka	
	2014	2013
Balance for which the Bank is contingently liable in respect of guarantee issued favoring		
Directors	-	-
Government	-	-
Bank and other financial institution	16,635,218,015	6,717,998,139
Others	-	-
Less : Margin	108,692,716	3,707,370
	16,526,525,299	6,714,290,769

17.2 Irrevocable letter of credit

Letter of Credit (Inland)	-	472,730,740
Letter of Credit (General)	797,839,354	315,268,123
Back to Back L/C	-	-
	797,839,354	787,998,863
Off-shore banking unit	10,432,345	63,115,588
	808,271,699	851,114,451
Less: Margin	91,362,690	74,749,042
	716,909,009	776,365,409

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	686,337,298	599,601,901
Balance with other banks and financial institutions	245,134,875	571,910,990
Money at call and short notice	1,390,000,000	1,120,000,000
Prize bonds	991,600	1,293,400
	2,322,463,772	2,292,806,292

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

		Amount in Taka	
		2014	2013
18	Income statement		
	Income		
	Interest, discount and similar income	(Note-18.1) 636,978,381	913,292,686
	Fees, commission and brokerage	(Note-18.2) 482,881,533	384,447,856
	Gains less losses arising from dealing securities	-	-
	Gains less losses arising from investment securities	(Note-20) 666,122,315	501,245,275
	Income from non-banking assets	-	-
	Other operating income	(Note-22) 1,594,245	2,488,675
	Profit less losses on interest rate changes	-	-
		1,787,576,474	1,801,474,492
	Expenses		
	Interest, fees and commission	(Note-19) 458,652,342	640,679,192
	Losses arising from dealing securities	-	-
	Administrative expenses	(Note-18.3) 153,048,676	153,352,676
	Other operating expenses	101,141,247	101,141,247
	Depreciation on banking assets	(Note-28) 17,287,112	17,298,444
		730,129,377	912,471,559
	Off-shore Banking Unit (OBU)	207,611,286	194,407,480
		937,740,663	1,106,879,039
18.1	Interest, discount and similar income		
	Interest on loans and advances	(Note 18.1.1) 482,573,626	685,146,410
	Interest on money at call and short notice	153,806,747	225,717,446
	Interest on balance with other banks	598,008	1,054,534
	Interest on other sundry income	-	1,374,296
		636,978,381	913,292,686
	Off-shore Banking Unit (OBU)	270,763,637	288,123,331
		907,742,018	1,201,416,017
18.1.1	Interest on loans and advances		
	Cash Credits	192,632,340	270,517,246
	Overdrafts	93,967,708	151,692,398
	Bill Purchased & Discount	-	12,734,312
	Demand Loan	(38,342,123)	46,427,527
	Term Loan	234,315,701	203,774,927
		482,573,626	685,146,410
	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	482,881,533	384,447,856
		482,881,533	384,447,856
18.3	Administrative expenses		
	Salaries and allowances	67,031,774	76,411,293
	Rent, taxes, insurance, electricity etc.	69,581,689	62,567,687
	Legal expenses	2,195,614	2,428,503
	Postage, stamps, telecommunication etc.	4,557,142	4,349,038
	Stationery, printing, advertisement etc.	4,806,967	4,602,002
	Chief Executive's salary & fees	-	-
	Directors' fees & expenses	-	-
	Auditors' fee	500,000	376,125
	Repairs & maintenance of fixed assets	4,375,490	2,618,028
		153,048,676	153,352,676

		Amount in Taka	
		2014	2013
19	Interest paid on deposits and borrowing etc.		
	Interest on deposits		
	Recurring Deposit	14,295,722	11,010,748
	Short Term Deposit (STD)	9,850,048	11,043,880
	Savings	19,704,216	19,453,042
	Term	357,760,149	529,749,190
		401,610,135	571,256,860
	Interest on money at call and short notice	57,042,207	69,422,332
	Interest on local bank accounts	-	-
	Off-shore Banking Unit (OBU)	72,822,452	107,908,392
		531,474,794	748,587,584
20	Investment income		
	Interest on treasury bonds	305,902,340	283,874,849
	Interest (discount) on treasury bills	357,364,073	211,087,441
	Dividend income	2,855,903	6,282,986
		666,122,315	501,245,275
21	Commission, exchange and brokerage		
	Commission for Guarantees	110,614,491	61,572,378
	Commission for LC negotiation/amendment/advising	13,677,363	14,358,129
	Commission for Foreign bill negotiation	-	3,163,197
	Commission for outward remittances	7,184,332	4,684,530
	Commission on Visa Processing	281,160,025	227,559,050
	Commission for miscellaneous	22,697,719	20,088,661
	Foreign exchange earnings	47,547,603	53,021,910
		482,881,533	384,447,856
	Off-shore banking unit	12,424,372	13,853,881
		495,305,905	398,301,737
22	Other operating income		
	Miscellaneous Income (DBU)	1,583,487	2,085,462
	Off-shore Banking Unit (OBU)	10,758	403,213
		1,594,245	2,488,675
23	Salaries and allowances		
	Basic Salary	52,159,828	49,658,987
	Salary Casual Staff	11,020,509	10,217,639
	Bonus & Ex-gratia	1,212,727	5,227,819
	Provident Fund	2,638,710	3,175,148
	Gratuity	-	8,131,700
		67,031,774	76,411,293
24	Rent, taxes, insurance, electricity etc.		
	Rent, rates & taxes	54,250,072	45,987,334
	Insurance	7,354,659	6,866,139
	Power & electricity	7,976,957	9,714,214
		69,581,689	62,567,687
25	Postage, stamp, telecommunication etc.		
	Postage & courier	1,023,084	909,112
	Telephone-Office	3,378,284	3,139,476
	Telephone-Residence	155,774	300,449
		4,557,142	4,349,038
26	Stationery, printing, advertisement etc.		
	Stationery & Printing	4,669,228	4,235,954
	Advertisement Statutory	110,229	332,000
	Advertisement Public Relation	27,510	34,048
		4,806,967	4,602,002

		Amount in Taka	
		2014	2013
27	Auditors' fee		
	Audit Fee (Statutory Audit)	345,000	330,625
	Others	155,000	45,500
		500,000	376,125
28	Depreciation on and repairs to bank's assets		
	A. Depreciation of property plant and equipments		
	Furniture & fixtures	3,180,272	3,724,421
	Office equipments	5,299,489	5,789,728
	IT hardware	8,807,351	7,784,294
		17,287,112	17,298,444
	B. Repairs & maintenance expenses		
	Transport Maintenance	-	-
	Equipment Maintenance	4,375,490	2,618,028
	Hardware & Software Maintenance	-	-
	Premises Maintenance	-	-
		4,375,490	2,618,028
	C. Off-shore Banking Unit (OBU)	-	-
		21,662,602	19,916,472
29	Other expenses		
	Water Consumption	1,208,097	1,359,287
	Traveling expenses	3,001,567	4,961,744
	Halting allowance	552,460	(847,014)
	House up keep IB officers	64,790	45,660
	Medical expenses	2,391,690	3,134,833
	Computer expenses	9,479,087	10,357,173
	Petrol, Oil and Lubricants	2,052,554	1,898,163
	Security	10,822,235	11,744,764
	Membership subscription	348,580	617,505
	Entertainment: canteen & other	8,002,172	7,528,957
	News paper/Books	1,544,891	1,616,703
	Conveyance Allowance	8,675,046	9,407,227
	Finacle Expenses	11,594,441	15,396,937
	Children Education	912,057	1,360,365
	Clearing Expenses	1,365,753	1,221,649
	Other Allowances	3,556,057	5,586,211
	Overheads	-	463,716
	Charges Donation	1,055,515	4,275,600
	Rentals	2,596,590	2,096,850
	Training	1,653,957	1,159,123
	Charges Others	9,450,766	17,755,793
		80,328,304	101,141,247
	Off-shore Banking Unit (OBU)	214,028	64,553
		80,542,332	101,205,800
30	Provisions		
	loans & advances		
	Provision on classified loans & advances	148,565,654	421,645,526
	Less: Recoveries/Provision no longer required	4,482,288	30,804,629
		144,083,366	390,840,897
	Less: Provision on off balance sheet items	-	-
	Provision for diminution in value of Investments	-	-
		144,083,366	390,840,897

	Amount in Taka	
	2014	2013
b) Provision for Off Balance Sheet		
Provision on LC & BG	99,272,488	10,664,711
Less: Recoveries/Provision no longer required	-	-
	99,272,488	10,664,711
c) Off-shore Banking Unit (OBU)	8,973,926	3,552,121
	8,973,926	3,552,121
Grand Total (a+b+c)	252,329,780	405,057,729

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**

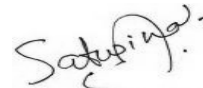
As at December 31, 2014

	Notes	Amount in Taka	
		2014	2013
PROPERTY AND ASSETS			
Cash	3	686,337,298	599,601,901
Cash in hand (Including foreign currency)		32,090,353	34,836,529
Balance with Bangladesh bank and its agent bank(s) (Including foreign currency)		654,246,945	564,765,372
Balance with other Banks and Financial Institutions	4	64,252,813	346,237,019
Inside Bangladesh		13,645,219	41,323,438
Outside Bangladesh		50,607,594	304,913,581
Money at call and short notice	5	1,390,000,000	1,120,000,000
Investments	6	7,786,438,442	7,374,962,729
Government		7,783,299,552	7,371,823,839
Others		3,138,890	3,138,890
Loans and advances	7	4,027,650,887	4,565,141,973
Loans, cash credit, overdrafts etc.		3,988,817,159	4,513,150,401
Bills purchased & discounted		38,833,728	51,991,572
Fixed assets including premises, furniture and fixtures	8	71,926,740	80,778,772
Other assets	9	697,553,888	375,266,733
Non-banking assets	10	-	-
Total Property and Assets		14,724,160,068	14,461,989,126
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	-	-
Deposit and other accounts	12	6,384,997,311	6,259,780,346
Current & other accounts		1,497,116,561	1,477,294,885
Saving deposits		454,108,015	398,830,919
Fixed deposits		3,815,388,433	4,054,814,824
Other deposits		618,384,303	328,839,718
Other liabilities	13	1,380,845,329	1,637,769,268
Total liabilities		7,765,842,640	7,897,549,613
Capital and shareholders' equity			
Fund deposited with Bangladesh Bank	14	6,462,789,044	4,556,354,048
Surplus in profit and loss account/ Retained earnings	15	453,304,637	1,925,679,420
Other reserve	16	42,223,747	82,406,044
Total shareholders' equity		6,958,317,429	6,564,439,512
Total liabilities and shareholders' equity		14,724,160,068	14,461,989,126

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-February 26, 2015

Notes	Taka	
	2014	2013

Off-Balance Sheet Items

Contingent Liabilities


Acceptances and endorsements	-	-
Letter of guarantees	16,635,218,015	6,717,998,139
Irrevocable letter of credits	797,839,354	787,998,863
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	17,433,057,369	7,505,997,002

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	17,433,057,369	7,505,997,002

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-February 26, 2015

State Bank of India

Bangladesh Operation

Domestic Banking Unit

Profit and Loss Account


For the year ended December 31, 2014

	Notes	Amount in Taka	
		2014	2013
Operating Income			
Interest income	18.1	636,978,381	913,292,686
Interest paid on deposits and borrowing etc.	19	458,652,342	640,679,192
Net interest income		178,326,039	272,613,494
Investment income	20	666,122,315	501,245,275
Commission, exchange and brokerage	21	482,881,533	384,447,856
Other operating income	22	1,583,487	2,085,462
Total operating income		1,328,913,375	1,160,392,087
Salaries and allowances	23	67,031,774	76,411,293
Rent, taxes, insurance, electricity etc.	24	69,581,689	62,567,687
Legal expenses		2,195,614	2,428,503
Postage, stamps, telecommunication etc.	25	4,557,142	4,349,038
Stationery, printing, advertisement etc.	26	4,806,967	4,602,002
Chief executive's salary & fees		-	-
Directors' fees & expenses		-	-
Auditors' fee	27	500,000	376,125
Charges on loan losses		-	-
Depreciation on and repairs to bank's assets	28	21,662,602	19,916,472
Other expenses	29	80,328,304	101,141,247
Total operating expenses		250,664,091	271,792,367
Profit/(loss) before provisions		1,078,249,283	888,599,720
Provision for			
Loans and advances		144,083,366	380,176,186
Provision for diminution in value of investments		-	-
Off balance sheet items		99,272,488	10,664,711
Total provision	30	243,355,854	390,840,897
Profit/(loss) before taxes		834,893,429	497,758,823
Provision for Tax			
Current tax expense	13.5	400,074,235	382,376,821
Deferred tax expense/ (income)	13.6	758,981	(13,937,129)
Total provision for tax		400,833,216	368,439,692
Total profit/(loss) after taxes		434,060,213	129,319,131
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividend etc.		-	-
Retained earnings		434,060,213	129,319,131

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-February 26, 2015

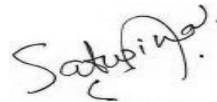
State Bank of India
Bangladesh Operation
Domestic Banking Unit
Cash Flow Statement
For the year ended December 31, 2014

	Amount in Taka	
	2014	2013
A. Cash flows from operating activities		
Interest receipts	1,213,516,890	1,341,404,922
Interest payment	(483,692,296)	(585,035,935)
Dividend received	2,855,903	6,282,986
Fees & commissions receipts	435,333,930	331,425,946
Received from loan write off recovery	-	3,310,976
Cash payments to employees	(64,902,724)	(68,279,593)
Cash payments to suppliers	-	-
Income tax paid	(302,071,675)	(447,321,436)
Receipts from other operating activities	1,583,487	2,085,462
Payment for other operating activities	(166,402,706)	(178,082,631)
Operating profit/(loss) before changes in operating assets & liabilities	636,220,810	405,790,697
Increase/decrease in operating assets & liabilities		
Loans & advances to customers	418,294,345	1,753,014,895
Other assets	(275,850,049)	312,544,805
Deposits from customers	125,216,965	(554,236,538)
Other liabilities	(455,534,385)	97,487,373
Cash utilised in operating assets & liabilities	(187,873,123)	1,612,121,509
Net cash from operating activities	448,347,686	1,569,999,683
B. Cash flows from investing activities		
Payments for purchase of securities	(411,777,514)	(3,271,412,420)
Investment in prize bond	301,800	-
Purchase/sale of property, plant & equipment	(9,970,185)	(16,837,115)
Net cash used in investing activities	(421,445,898)	(2,849,930,973)
C. Cash flows from financing activities		
Receipts from the capitalization	-	205,390,782
Net cash flows from financing activities	-	211,673,767
Net increase/decrease in cash	26,901,788	(1,068,257,522)
Effects of exchange rate changes on cash & cash equivalent	47,547,603	53,021,910
Cash and cash equivalents at the beginning of year	2,067,132,320	3,082,367,932
Cash and cash equivalents at the end of year (Note- 17.4)	2,141,581,711	2,067,132,320

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-February 26, 2015

State Bank of India
Bangladesh Operation
Domestic Banking Unit
Statement of Changes in Equity
For the year ended December 31, 2014

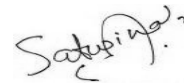
(Figures in Taka)

Particulars	Fund deposited with Bangladesh Bank	Other Reserve	Surplus in Profit & Loss Account	Total
Balance as of 01 January 2014	4,556,354,048	82,406,044	1,925,679,421	6,564,439,512
Adjustment in respect of previous year profit of OBU	-	-	-	-
Net profit for the year (DBU)	-	-	434,060,213	434,060,213
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
Fund utilised which were kept as Capital	-	-	-	-
Fund released which were kept 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
Balance as of 01 January 2013	4,457,268,453	20,214,982	1,895,445,884	6,372,929,319
Net profit for the year	-	-	-	-
Fund released which were kept as Capital	-	-	129,319,132	129,319,132
Adjustment in respect of previous year profit of OBU	-	-	-	-
Amortisation gain on HTM Securities transferred to P&L	-	(20,214,982)	-	(20,214,982)
Amortisation gain on HTM Securities	-	82,406,044	-	82,406,044
Excess profit remittance tax written back	-	-	-	-
Fund utilised as Capital	1,052,654,048	-	(1,052,654,048)	-
Profit remitted to head office	(953,568,453)	-	953,568,453	-
Balance as of 31 December 2013	4,556,354,048	82,406,044	1,925,679,421	6,564,439,512



Country Head

Signed as per our report of even date



Head of Risk Management Department



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-February 26, 2015

State Bank of India
Bangladesh Operation
Domestic Banking Unit

Liquidity Statement
(Assets & Liabilities Maturity Analysis)
For the year ended December 31, 2014

(Figures in Taka)

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand	32,090,353	-	-	-	-	32,090,353
Balance with Bangladesh Bank	654,246,945	-	-	-	-	654,246,945
Balance with other bank, Other Banks and financial Institutions (Including foreign currencies)	64,252,813	-	-	-	-	64,252,813
Money at call and on short notice	1,390,000,000	-	-	-	-	1,390,000,000
Investments	991,600	4,222,881,014	307,993,851	756,654,279	2,497,917,699	7,786,438,442
Loans and advances	303,910,289	906,769,835	752,471,996	923,807,179	1,140,691,588	4,027,650,887
Fixed assets including premises, furniture & fixtures	-	-	-	-	71,926,740	71,926,740
Other assets	-	-	-	-	697,553,888	697,553,888
Non - banking assets	-	-	-	-	-	-
Total Assets	2,445,492,000	5,129,650,848	1,060,465,847	1,680,461,458	4,408,089,915	14,724,160,069
LIABILITIES						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	-	-	-	-	-	-
Convertible subordinated debts	-	-	-	-	-	-
Money at call and on short notice	-	-	-	-	-	-
Deposits & other accounts	2,010,802,650	1,129,900,244	376,457,058	986,113,091	1,881,724,269	6,384,997,311
Provision & Other Liabilities	-	2,383,497	328,305,720	-	8,008,473,540	8,339,162,757
Total liabilities	2,010,802,650	1,132,283,741	704,762,777	986,113,091	9,890,197,809	14,724,160,068
Amount of net liquidity difference	434,689,350	3,997,367,107	355,703,070	694,348,367	(5,482,107,894)	(0)

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



Country Head

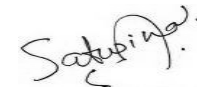
Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-February 26, 2015



Head of Risk Management Department

State Bank of India

Bangladesh Operation Domestic Banking Unit

Notes to Financial Statements For the year ended 31 December 2014

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 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 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:

<u>(i) 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%
<u>(ii) 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 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 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
Satwinder Singh	HRMD	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	
		2014	2013
3	Cash		
	Cash in hand		
	Local currency	22,801,499	28,700,570
	Foreign currency	8,185,354	5,120,959
	ATM cash balance	1,103,500	1,015,000
		32,090,353	34,836,529
	Balance with Bangladesh bank and its agent bank(s)		
	Local currency	(Note: 3.1) 551,103,167	522,004,138
	Foreign currency	103,143,778	42,761,234
		654,246,945	564,765,372
	Sonali Bank as agent of Bangladesh Bank (local currency)	-	-
		686,337,298	599,601,901
3.1	Local currency		
	Lien with Bangladesh Bank	-	440,000,000
	Free Balance with Bangladesh Bank	551,103,167	82,004,138
		551,103,167	522,004,138
3.2	Statutory deposits		
<p>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:</p>			
3.2.1	Cash Reserve Requirement (CRR)		
	i. Daily Bank's CRR maintenance		
	Required reserve (6% of total time & demand liabilities)	478,816,490	394,141,156
	Actual reserve maintained	538,721,000	487,467,277
	Surplus/ (deficit)	59,904,510	93,326,121
	Maintained(%)	6.75%	6.80%
	ii. Bi- Weekly bank's CRR maintenance		
	Required reserve (6.50% of total time & demand liabilities)	518,717,860	429,972,170
	Actual reserve maintained	538,721,000	495,898,000
	Surplus/ (deficit)	20,003,140	65,925,830
	Maintained(%)	9.89%	6.92%
3.2.2	Statutory Liquidity Reserve (SLR)		
	Required reserve (19% of total time & demand liabilities)	1,037,435,720	1,361,578,530
	Actual reserve maintained	7,785,274,540	3,611,689,436
	Surplus/ (Deficit)	6,747,838,820	2,250,110,906
	Maintained(%)	102.5%	50.40%
4	Balance with other banks and financial institutions		
	Inside Bangladesh	(Note: 4.1) 13,645,219	41,323,438
	Outside Bangladesh (Details are shown in annexure A)	(Note: 4.2) 50,607,594	304,913,581
		64,252,813	346,237,019
4.1	Balance with other banks and financial institutions (Inside Bangladesh)		
	On demand deposit accounts (Current cccount)		
	Uttara Bank	4,378,756	12,187,531
	Sonali Bank	70,667	72,817
	Pubali Bank	3,276,267	2,536,462
		7,725,690	14,796,811
	On Short Term Deposit (STD) Accounts		
	Uttara Bank	2,115,912	16,085,590
	Standard Chartered Bank-ATM Visa Domestic Settlement A/C	3,803,617	10,441,037
		5,919,529	26,526,627
		13,645,219	41,323,438

		Amount in Taka	
		2014	2013
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)	15,588,913	99,054,681
	State Bank of India, London	464,742	1,228,457
	State Bank of India, New York	7,539,084	51,745,088
	State Bank of India, Japan	174,622	198,293
		23,767,361	152,226,519
	On demand deposit accounts (Interest bearing)		
	Standard Chartered Bank, Karachi Branch	-	180,794
	Deutsche Bank, Mumbai	-	9,209,711
	JP Morgan Chase Bank	14,143,158	136,098,533
	ACU Dollar Nostro a/c	2,629,470	3,677,848
	Wachovia Bank	-	-
	Bank of America	6,189,501	899,886
	Deutsche Bank Trust Company, New York	3,878,105	2,620,291
		26,840,233	152,687,062
		50,607,594	304,913,581
4.3	Foreign currency wise break-up		
	Currency name	Amount in FC	Conversion Rate
	US Dollar	439,774	78.1750
	Great Britain Pound	3,830	121.3506
	EURO	164,276	94.8946
	Japanese Yen	268,072	0.6514
			34,379,317
			204,432,150
			464,742
			1,228,457
			15,588,913
			99,054,681
			174,622
			198,293
			50,607,594
			304,913,581
5	Money at call and short notice		
	Banking company		
	Mercantile Bank Limited	-	150,000,000
	Jamuna Bank Limited	230,000,000	-
	Southeast Bank Limited	-	300,000,000
	Commercial Bank of Ceolon	210,000,000	-
	Bank Asia Limited	230,000,000	-
	One Bank Limited	70,000,000	-
	Brac Bank Limited	120,000,000	300,000,000
	NCC Bank Limited	150,000,000	250,000,000
	The City Bank Limited	150,000,000	-
	Mutual Trust Bank Limited	230,000,000	120,000,000
		1,390,000,000	1,120,000,000
5.1	Maturity grouping of money at call and short notice		
	Up to 1 month	1,390,000,000	1,120,000,000
	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	-	-
		1,390,000,000	1,120,000,000
6	Investments		
	Government Securities	(Note: 6.1) 7,783,299,552	7,371,823,839
	Other Investments	(Note: 6.2) 3,138,890	3,138,890
		7,786,438,442	7,374,962,729
	Off-shore Banking Unit	-	-
		7,786,438,442	7,374,962,729
	Investment in securities are classified as follows:		
	Held for trading	-	-
	Held to maturity	7,783,299,552	7,371,823,839
	Other Investments	3,138,890	3,138,890
		7,786,438,442	7,374,962,729

Amount in Taka	
2014	2013

Treasury bills and treasury bonds amounting Tk.411.6 crore has been pledged with Bangladesh Bank for Capital Purpose. Details of investments are given in Annexure- F)

6.1 Government securities

Treasury bill

91 day Treasury bills	2,806,306,560	2,525,532,604
182 day Treasury bills	1,416,574,453	1,301,309,692
364 day treasury bills	307,993,851	310,188,143
	4,530,874,865	4,137,030,439

Treasury bond

2 year Treasury Bonds	12,881,139	13,200,000
5 year Treasury Bonds	743,773,140	751,800,000
10 year Treasury Bonds	1,155,921,128	1,147,400,000
15 year Treasury Bonds	421,421,888	417,400,000
20 year Treasury Bonds	917,435,793	903,700,000
	3,251,433,088	3,233,500,000

Prize bonds

	991,600	1,293,400
	7,783,299,552	7,371,823,839

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 investment

Payable on demand	991,600	1,293,400
Below three months	4,222,881,014	3,585,487,908
Over three months but below one year	307,993,851	554,642,530
Over one year but below five years	756,654,279	757,100,000
Over five years	2,494,778,809	2,476,438,890
	7,783,299,552	7,374,962,729

7 Loans and advances

Loans, Cash Credits, Overdrafts etc.:

Overdrafts	678,473,521	798,027,383
Demand loans	788,850	877,380
Cash credit	1,306,625,950	1,741,916,384
House building loan	144,475,421	158,723,452
Transport loan	705,973,651	414,500,000
Term loans	980,103,340	905,510,616
Loan against trust receipts	33,930,424	346,649,639
Agricultural loan	102,906,000	108,415,018
Staff loans	(Note - 7.6) 35,540,001	38,530,529
	3,988,817,159	4,513,150,401

Bills purchase & discount

	(Note - 7.15) 38,833,728	51,991,572
	4,027,650,887	4,565,141,973

7.1 Net loans and advances

Gross loans and advances	4,027,650,887	4,565,141,973
Less:		
Interest suspense	98,673,668	135,636,098
Provision for loans & advances	851,842,901	746,883,789
	950,516,568	882,519,887
	3,077,134,319	3,682,622,086

		Amount in Taka	
		2014	2013
Consumers			
	i) Commercial lending	35,369,000	65,934,012
	ii) Export financing	33,930,424	174,500,000
	iii) House building loan	144,475,421	158,723,452
	iv) Small and medium enterprise	797,031,000	256,800,000
	v) Non-banking financial institutions	76,197,911	104,376,911
	vi) Others	528,427,796	624,076,548
		1,615,431,553	1,384,410,923
		4,027,650,887	4,565,141,973
7.6	Staff loan		
	Overdraft Loan	17,251,480	18,276,897
	Car and motorcycle loan	273,599	447,229
	House building Loan	18,014,922	19,806,403
		35,540,001	38,530,529
7.7	Detail of large loan		
Total capital of the Bank was Taka 656.44 million as at 31 December 2014 (Taka 637.29 million at 31 December 2013 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	3,013,950,741	3,380,998,500
	Special Mention Account (SMA)	-	26,593,512
		3,013,950,741	3,407,592,012
Classified			
	Sub standard	179,039,848	171,842,790
	Doubtful	-	415,083,534
	Bad / Loss	834,660,297	570,623,637
		1,013,700,146	1,157,549,961
		4,027,650,887	4,565,141,973
7.9	Loan type wise total loan		
	Overdraft	678,473,521	843,826,948
	Demand Loan	788,850	877,380
	Term Loan	1,263,024,762	1,587,149,086
	Cash Credit	2,085,363,753	2,133,288,559
		4,027,650,887	4,565,141,973
7.10	Sector-wise allocation of loans and advances		
	Agriculture, fishing, forestry and dairy firm	102,906,000	108,415,018
	Industry (jute, textile, garments, chemicals, cements etc.)	737,022,703	1,724,902,810
	Working capital financing	1,411,537,748	1,599,907,838
	Export credit	33,930,424	174,500,000
	Commercial credit	35,369,000	65,934,012
	Small and cottage industries	797,031,000	256,800,000
	Miscellaneous	909,854,011	634,682,295
		4,027,650,887	4,565,141,973
7.11	Securities against loans/advances including bills purchase and discount		
	Collateral of moveable/immoveable assets	2,672,305,294.88	3,028,925,150
	Nonbanking financial institutions guarantee	175,712,000.63	199,160,814
	Local banks/foreign banks guarantee	303,920,949.22	344,479,281
	Export documents	45,870,183.77	51,991,572
	Cash and quasi cash	165,601,697.30	187,701,288
	Personal guarantee	389,280,825.02	441,230,455
	Other securities	274,959,936.15	311,653,413
		4,027,650,887	4,565,141,973

7.12 Particulars of required provision for loans and advances

Amount in Taka	
2014	2013

Provision required for unclassified loans and advances

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2014	Required provision December 2013
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing & loans for professional)	2,293,842,826	2,293,842,826	1%	22,938,428	25,222,733
Small & Medium enterprise financing	581,863,257	581,863,257	0.25%	1,454,658	1,712,213
Housing & loan for professional	91,224,710	91,224,710	2%	1,824,494	2,308,532
Consumer finance	11,479,948	11,479,948	5%	573,997	994,139
Special Mentioned Account	-	-	5%	-	1,329,676
Staff Loan	35,540,001	35,540,001	0%	-	-
Total	3,013,950,741	3,013,950,741	N/A	26,791,578	31,567,293

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

Name of Exposure	Outstanding	Rate (%)	Required provision December 2014	Required provision December 2013
Acceptances and endorsements	-	1%	-	-
Letter of guarantees	16,635,218,015	1%	166,352,180	67,179,981
Irrevocable letter of credits	797,839,354	1%	7,978,394	7,879,989
Total	17,433,057,369	1%	174,330,574	75,059,970

Total required provision for unclassified assets (including off-balance sheet items)	201,122,152	106,627,263
Provision maintained for unclassified assets (including off-balance sheet items)	205,069,855	107,975,211
Excess/(Short) provision at 31 December 2014	3,947,703	1,347,949

Provision required for classified loans & advances (Specific provision)

Status	Outstanding	Base for provision	Rate	Required provision December 2014	Required provision December 2013
Sub-standard	179,039,848	130,388,206	20%	26,077,641	10,040,635
Doubtful	-	-	50%	-	147,691,181
Bad/Loss	834,660,297.17	585,126,109.37	100%	585,126,109	401,474,126
Total	1,013,700,146	715,514,315	N/A	611,203,751	559,205,942

Total provision maintained for classified assets:	611,203,751	559,205,942
Sub Standard	36,717,762	45,255,184
Doubtful	-	158,621,843
Bad/loss	610,055,285	435,031,550
	646,773,046	638,908,577

Excess/(Short) of provision	35,569,296	79,702,635
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		Amount in Taka	
		2014	2013
7.13	Particulars of loans and advances		
i)	Debts considered good in respect of which Bank is fully secured	3,020,738,165	3,366,669,416
ii)	Debts considered good for which Bank holds no other security than the debtor's personal security	673,264,418	763,111,734
iii)	Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	333,648,304	435,360,823
iv)	Debts adversely classified; for which no provision is created	-	-
		4,027,650,887	4,565,141,973
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	-	3,310,976
b)	Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	610,055,285	435,031,550
c)	Interest creditable to the Interest Suspense a/c	98,673,668	135,636,098
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	283,017,980	363,963,292
	Chittagong Region	692,855,032	762,172,158
	Sylhet Region	37,827,133	31,414,512
		1,013,700,146	1,157,549,961
7.15	Bill Purchased & discounted under the following		
	Inside Bangladesh	38,833,728	34,022,698
	Outside Bangladesh	-	17,968,874
		38,833,728	51,991,572
7.16	Maturity wise grouping of bill purchased & discounted		
	Payable within 1 month	-	5,390,662
	Over 1 month but less than 3 months	-	12,578,212
	Over 3 months but less than 6 months	-	26,953,311
	6 months and more	38,833,728	7,069,387
		38,833,728	51,991,572
7.17	Write off of loans & advances		
	Balance at the beginning of the year	19,650,813	22,961,789
	Add: Write off during the year	136,898,141	-
		156,548,954	22,961,789
	Less: Recovery of Write off loans	-	3,310,976
		156,548,954	19,650,813

		Amount in Taka	
		2014	2013
8	Fixed assets including premises, furniture and fixtures		
	A. Cost		
	Opening balance	169,153,823	169,153,823
	Add: Addition during the year	9,970,185	18,297,899
		<u>179,124,008</u>	<u>187,451,722</u>
	Less: Disposal/adjustment during the year	4,565,692	1,460,784
		<u>174,558,316</u>	<u>185,990,938</u>
	B. Accumulated Depreciation		
	Opening balance	80,778,772	87,913,722
	Add: Charged during the year	17,287,112	17,298,444
		<u>98,065,884</u>	<u>105,212,166</u>
	Less: Disposal/adjustment during the year	(4,565,692)	-
		<u>102,631,576</u>	<u>105,212,166</u>
	Written down value (A-B)	<u>71,926,740</u>	<u>80,778,772</u>
	(Details are given in Annexure- C)		
9	Other assets		
	Income generating other assets		
	Interest receivable on treasury bond	163,406,032	60,185,048
	Interest receivable on bill purchase & discount	-	17,052,758
	Interest receivable on Call Money	917,454	357,778
		<u>164,323,486</u>	<u>77,595,583</u>
	Non-income generating other assets		
	Stationery, stamps, printing materials etc.	2,650,009	971,502
	Advance rent and advertisement	58,122,654	60,202,876
	Memento Coin	154,000	45,500
	Deferred Expenses	-	204,892
	Excise duty	2,363,130	2,511,880
	Inter Branch lending (FC)	467,022,145	129,789,000
	Advance Payment of Income Tax	-	103,900,000
	ISO Reconciliation	350,577	35,500
	Receivables from OBU	2,567,887	-
	Others	-	10,000
		<u>533,230,402</u>	<u>297,671,150</u>
		<u>697,553,888</u>	<u>375,266,733</u>
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 2014.		
11	Borrowings from other banks, financial institutions & agents	-	-
12	Deposit and other accounts		
	Local currency		
	Current & other accounts	1,168,966,129	1,186,125,823
	Bills payable	29,211,898	36,014,747
	Saving deposits	454,108,015	398,830,919
	Fixed deposits	3,815,388,433	4,054,814,824
	Short term deposit	363,607,161	219,245,820
	Other deposits	254,777,143	109,593,898
		<u>6,086,058,778</u>	<u>6,004,626,031</u>

	Amount in Taka	
	2014	2013
Foreign currency		
Current & other accounts	212,268,652	148,886,715
Other deposits	86,669,882	106,267,600
	298,938,534	255,154,315
	6,384,997,311	6,259,780,346
12.1 Deposit details concentrating liquidity nature		
i) Demand deposit		
Current deposit	1,168,966,129	1,186,125,823
Saving deposit (10%)	45,410,801	39,883,092
Foreign currency deposit	212,268,652	148,886,715
Short term deposit	138,294,047	101,788,493
Other demand deposit-local currency	254,777,143	109,593,898
Other demand deposit-foreign currency	86,669,882	106,267,600
	1,906,386,653	1,692,545,621
ii) Time deposit		
Saving deposit (91%)	408,697,213	358,947,827
Fixed deposit	3,815,388,433	4,054,814,824
Foreign currency deposit	-	-
Short term deposit	254,525,013	153,472,074
	4,478,610,658	4,567,234,725
	6,384,997,311	6,259,780,346
12.2 Maturity wise grouping of deposits		
Payable on demand	-	-
Payable within 1 month	2,010,802,649.75	1,971,368,552
Over 1 month but within 3 months	1,129,900,244.00	1,107,741,632
Over 3 month but within 1 year	376,457,057.54	369,074,312
Over 1 year but within 5 years	986,113,090.85	966,774,306
Over 5 years	1,881,724,269.13	1,844,821,544
	6,384,997,311	6,259,780,346
13 Other liabilities		
Foreign Currency claims received accounts	-	-
Fixed Deposit interest account	85,089,388	110,129,341
Provision on loans and advances (Note-13.1)	851,842,901	746,883,789
Interest Suspense's Account (Note-13.3)	98,673,668	135,636,098
Withholding tax payable (payable on interest) (Note-13.4)	1,196,245	562,210
Provision for current taxation (Note-13.5)	98,813,102	400,884,777
Provision for deferred tax (Note-13.6)	(8,946,097)	(9,705,078)
Inter branch adjustment account	55,215	50,437
Foreign Currency Margin on Guarantee Account	1,132,038	3,707,370
Non Resident Foreign C.D. Account	-	7,916,663
ACU EURO Account	80,919,915	91,021,256
Provision for gratuity	27,277,600	27,277,600
Provision for audit fees	388,125	330,625
Payable to OBU	123,074,180	123,074,180
Other Provision	21,329,050	-
	1,380,845,329	1,637,769,268

OBU's retained earning erroneously transferred to DBU surplus profit & loss account. So, we have created a new head amounting to Tk. 123074180 in other liabilities which is payable to OBU. On 2015 the amount will be adjusted.

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.

		Amount in Taka	
		2014	2013
a. General			
	Balance at the beginning of the year	107,975,211	138,779,840
	Add: Provision made during the year	97,094,644	-
	Less: Recoveries and provision no longer required	-	30,804,629
		205,069,855	107,975,211
b. Specific			
	Balance at the beginning of the year	638,908,577	178,971,113
	Add: Provision made during the year	146,261,210	459,937,464
	Less: Recoveries and provision no longer required	19,200,000	-
	Less: Interest waiver during the year	-	-
	Less: Write off during the year	119,196,741	-
		646,773,046	638,908,577
	Net actual provision at the end of year (a+b)	851,842,901	746,883,788
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:			
	Balance at the beginning of the year	75,059,970	64,395,259
	Add: Provision made/ (adjusted) during the year	99,272,488	10,664,711
		174,332,458	75,059,970
13.3 Interest suspense			
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 Special Mentioned Account (SMA), 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	135,636,098	27,523,878
	Add: Amount transferred during the year	-	108,112,220
		135,636,098	135,636,098
	Less: Amount of interest suspense recovered	19,261,030	-
	Less: Write off during the year	17,701,400	-
	Less: Interest waiver during the year	-	-
		98,673,668	135,636,098
13.4 Withholding tax payable (Payable on interest)			
	Balance at the beginning of the year	562,210	759,716
	Add: Addition during the year	63,231,804	62,400,263
		63,794,014	63,159,979
	Less: paid during the year	62,597,769	62,597,769
		1,196,245	562,210
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	400,884,777	483,477,164
	Add: Provision made during the year	400,074,235	382,376,821
		800,959,012	865,853,985
	Less: Adjustment of tax provision for previous years	400,884,777	464,969,208
	Less: Adjustment with adv tax	301,261,133	-
		98,813,102	400,884,777

Assessment for the year 2011 (Assessment year 2012-2013) is under review with the Appellate Tribunal. Income tax return for the year 2012 (Assessment year 2013-2014), hearing has already been completed and Income Tax Return for the year 2013 (Assessment Year 2014-15) has already been submitted. (Details are in Annexure-D)

		Amount in Taka	
		2014	2013
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	(9,705,078)	4,232,051
	Add: Deffered Tax Expense/ (Income) during the year	758,981	(13,937,129)
		(8,946,097)	(9,705,078)
14	Fund deposited with Bangladesh Bank		
	Securities lien with Bangladesh Bank	6,462,789,044	4,116,354,048
	Current Account balance lien with Bangladesh Bank	-	440,000,000
		6,462,789,044	4,556,354,048

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)	6,916,093,681	6,726,623,635
2. Tier-2 (Supplementary capital)	(Note 14.1.2)	226,181,729	149,178,233
3. Tier-3 (Additional supplementary capital) (Note :	(Note 14.1.3)	-	-
4. Total regulatory Capital (1+2+3)		7,142,275,410	6,875,801,868
B. Total Risk Weighted Assets (RWA)	(Note 14.2)	9,395,725,164	14,311,195,142
C. Capital Adequacy Ratio (CAR) (as against required above 10.00%)		76.02%	49.61%
D. Core capital to RWA (as against required minimum 5.00%)		73.61%	48.54%
E. Supplementary capital to RWA		3.17%	2.17%
F. Minimum Capital Requirement (MCR)			
10 % of RWA		939,572,516	1,431,119,514
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)		3,142,275,410	2,875,801,868

14.1.1 Tier - I (Core Capital)

Fund deposited with Bangladesh Bank	6,462,789,044	4,556,354,048
Surplus in profit & loss accounts/Retained earnings	453,304,637	1,925,679,420
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	6,916,093,681	6,482,033,468
Deductable from Tier - I (Core Capital)		
Book value of Goodwill	-	-
Shortfall in provision required against classified assets irrespective of any relaxation	-	-
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	6,916,093,681	6,482,033,468

		Amount in Taka	
		2014	2013
14.1.2 Tier - II (Supplementary Capital)			
General Provision		205,069,855	107,975,211
Asset revaluation reserve		21,111,874	41,203,022
Preference Share		-	-
Perpetual Subordinated debt		-	-
Exchange Equalization Fund		-	-
Sub-total		226,181,729	149,178,233
Deduction (Investment in subsidiary)		-	-
Total eligible Tier - 2 Capital (a)		226,181,729	149,178,233
14.1.3 C. Tier-III (Additional Supplementary Capital)			
Short term sub-ordinated debt (b)		-	-
Total Supplementary Capital		-	-
Total regulatory capital		7,142,275,410	6,631,211,701
14.2 Risk Weighted Assets (RWA)			
1. Investment (credit) Risk		7,120,385,794	12,322,195,142
(i) On-balance sheet		6,707,745,720	8,575,391,886
(ii) Off-balance sheet		412,640,075	3,746,803,256
2. Market Risk		12,684,022	29,500,000
3. Operational risk		2,262,655,347	1,959,500,000
		9,395,725,164	14,311,195,142
(Details are given in Annexure- G-1)			
15 Surplus in profit and loss account/ retained earnings			
Balance at the beginning of the year		1,925,679,420	1,895,445,884
Add: Net Profit for the year		434,060,213	129,319,131
Add: Net Profit received from Off-share Banking Unit (OBU)		-	-
Add: Excess profit remittance tax written off		-	-
Less Prior Year Adjustment(Deferred Tax)		-	-
Less: Amount transferred to deposit kept with Bangladesh Bank		1,906,434,996	99,085,595
		453,304,637	1,925,679,420
16 Other reserve			
Balance at the beginning of the year		82,406,044	20,214,981
Add: Amotization gain on HTM securities during the year		42,223,747	82,406,044
		124,629,791	102,621,025
Less: Transferred to Profit & Loss Account at maturity		82,406,044	20,214,981
		42,223,747	82,406,044
Off-shore Banking Unit		-	-
		42,223,747	82,406,044
17 Contingent liabilities			
Bills for collection		-	-
Import Letters Of Credit - Sight		797,839,354	472,730,740
Import Letters Of Credit - Usance		-	315,268,123
Import Letters Of Credit - Back to Back		-	-
Letter of Guarantee	(Note 17.1)	16,635,218,015	6,717,998,139
		17,433,057,369	7,505,997,002
17.1 Letter of guarantee			
Letter of Guarantee (Local)		-	873,339,758
Letter of Guarantee (Foreign)		16,635,218,014.81	5,844,658,381
Foreign counter Guarantee		-	-
		16,635,218,015	6,717,998,139
Less: margin		108,692,716	3,707,370
		16,526,525,299	6,714,290,769

	Amount in Taka	
	2014	2013
Balance for which the Bank is contingently liable in respect of guarantee issued favoring		
Directors	-	-
Government	-	-
Bank and other financial institution	16,635,218,015	6,717,998,139
Others	-	-
	16,635,218,015	6,717,998,139
Less : Margin	108,692,716	3,707,370
	16,526,525,299	6,714,290,769

17.2 Irrevocable letter of credit

Letter of Credit (Inland)	797,839,354	472,730,740
Letter of Credit (General)		315,268,123
Back to Back L/C	-	-
	797,839,354	787,998,863
Less: Margin	91,362,690	74,749,042
	706,476,664	713,249,821

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	686,337,298	599,601,901
Balance with other banks and financial institutions	64,252,813	346,237,019
Money at call and short notice	1,390,000,000	1,120,000,000
Prize bonds	991,600	1,293,400
	2,141,581,711	2,067,132,320

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

		Amount in Taka	
		2014	2013
18	Income statement		
	Income		
	Interest, discount and similar income	(Note-18.1) 636,978,381	913,292,686
	Fees, commission and brokerage	(Note-18.2) 482,881,533	384,447,856
	Gains less losses arising from investment securities	666,122,315	501,245,275
	Income from non-banking assets	-	-
	Other operating income	(Note-22) 1,583,487	2,085,462
	Profit less losses on interest rate changes	-	-
		1,787,565,717	1,801,071,279
	Expenses		
	Interest, fees and commission	(Note-19) 458,652,342	640,679,192
	Administrative expenses	(Note-18.3) 153,048,676	153,352,676
	Other operating expenses	80,328,304	101,141,247
	Depreciation on banking assets	(Note-28) 17,287,112	17,298,444
		709,316,433	912,471,559
	Operating profit	1,078,249,283	888,599,720
18.1	Interest, discount and similar income		
	Interest on loans and advances	(Note 18.1.1) 482,573,626	685,146,410
	Interest on money at call and short notice	153,806,747	225,717,446
	Interest on balance with other banks	598,008	1,054,534
	Interest on treasury bills & bonds	-	-
	Interest on fixed deposits with other banks	-	-
	Interest on other sundry income	-	1,374,296
		636,978,381	913,292,686
18.1.1	Interest on loans and advances		
	Cash Credits	192,632,340	270,517,246
	Overdrafts	93,967,708	151,692,398
	Bill Purchased & Discount	-	12,734,312
	Demand Loan	(38,342,123)	46,427,527
	Term Loan	234,315,701	203,774,927
		482,573,626	685,146,410
18.2	Fees, commission and brokerage		
	Fees	-	-
	Commission	482,881,533	384,447,856
		482,881,533	384,447,856
18.3	Administrative expenses		
	Salaries and allowances	67,031,774	76,411,293
	Rent, taxes, insurance, electricity etc.	69,581,689	62,567,687
	Legal expenses	2,195,614	2,428,503
	Postage, stamps, telecommunication etc.	4,557,142	4,349,038
	Stationery, printing, advertisement etc.	4,806,967	4,602,002
	Chief Executive's salary & fees	-	-
	Directors' fees & expenses	-	-
	Auditors' fee	500,000	376,125
	Repairs & maintenance of fixed assets	4,375,490	2,618,028
		153,048,676	153,352,676
19	Interest paid on deposits and borrowing etc.		
	Interest on deposits		
	Recurring Deposit	14,295,722	11,010,748
	Short Term Deposit (STD)	9,850,048	11,043,880
	Savings	19,704,216	19,453,042
	Term	357,760,149	529,749,190
		401,610,135	571,256,860
	Interest on money at call and short notice	57,042,207	69,422,332
	Interest on local bank accounts	-	-
		458,652,342	640,679,192

		Amount in Taka	
		2014	2013
20	Investment income		
	Interest on treasury bonds	305,902,340	283,874,849
	Interest (discount) on treasury bills	357,364,073	211,087,441
	Dividend income	2,855,903	6,282,986
		666,122,315	501,245,275
21	Commission, exchange and brokerage		
	Commission for Guarantees	110,614,491	61,572,378
	Commission for LC negotiation/amendment/advising	13,677,363	14,358,129
	Commission for Foreign bill negotiation	-	3,163,197
	Commission for inward & outward remittances	7,184,332	4,684,530
	Commission on Visa Processing	281,160,025	227,559,050
	Commission for miscellaneous	22,697,719	20,088,661
	Foreign exchange earnings	47,547,603	53,021,910
		482,881,533	384,447,856
22	Other operating income		
	Miscellaneous Income	1,583,487	2,085,462
		1,583,487	2,085,462
23	Salaries and allowances		
	Basic Salary	52,159,828	49,658,987
	Salary Casual Staff	11,020,509	10,217,639
	Bonus & Ex-gratia	1,212,727	5,227,819
	Provident Fund	2,638,710	3,175,148
	Gratuity	-	8,131,700
		67,031,774	76,411,293
24	Rent, taxes, insurance, electricity etc.		
	Rent, rates & taxes	54,250,072	45,987,334
	Insurance	7,354,659	6,866,139
	Power & electricity	7,976,957	9,714,214
		69,581,689	62,567,687
25	Postage, stamp, telecommunication etc.		
	Postage & courier	1,023,084	909,112
	Telephone-Office	3,378,284	3,139,476
	Telephone-Residence	155,774	300,449
		4,557,142	4,349,038
26	Stationery, printing, advertisement etc.		
	Stationery & Printing	4,669,228	4,235,954
	Advertisement Statutory	110,229	332,000
	Adv Advertisement Statutory	27,510	34,048
		4,806,967	4,602,002
27	Auditors' fee		
	Audit Fee(Statutory Audit)	345,000	330,625
	Others	155,000	45,500
		500,000	376,125
28	Depreciation on and repairs to bank's assets		
	A. Depreciation of property plant and equipments		
	Furniture & fixtures	3,180,272	3,724,421
	Office equipments	5,299,489	5,789,728
	IT hardware	8,807,351	7,784,294
		17,287,112	17,298,444
	B. Repairs & maintenance expenses		
	Transport Maintenance		
	Equipment Maintenance	4,375,490	2,618,028
	Hardware & Software Maintenance	-	-
	Premises Maintenance	4,375,490	2,618,028
		21,662,602	19,916,472

	Amount in Taka	
	2014	2013
29 Other expenses		
Water Consumption	1,208,097	1,359,287
Traveling expenses	3,001,567	4,961,744
Halting allowance	552,460	(847,014)
House up keep IB officers	64,790	45,660
Medical expenses	2,391,690	3,134,833
Computer expenses	9,479,087	10,357,173
Petrol, Oil and Lubricants	2,052,554	1,898,163
Security	10,822,235	11,744,764
Membership subscription	348,580	617,505
Entertainment: canteen & other	8,002,172	7,528,957
News paper/Books	1,544,891	1,616,703
Conveyance Allowance	8,675,046	9,407,227
Finacle Expenses	11,594,441	15,396,937
Children Education	912,057	1,360,365
Clearing Expenses	1,365,753	1,221,649
Other Allowances	3,556,057	5,586,211
Overheads	-	463,716
Charges Donation	1,055,515	4,275,600
Rentals	2,596,590	2,096,850
Training	1,653,957	1,159,123
Charges Others	9,450,766	17,755,793
(All charges are included TAX & Vat)	80,328,304	101,141,247
30 Provisions		
a) Provision on loans & advances	148,565,654	410,980,815
Less: Recoveries/Provision no longer required	4,482,288	30,804,629
	144,083,366	380,176,186
Less: Provision on off balance sheet items	-	-
Provision for diminution in value of Investments	-	-
	-	-
	144,083,366	380,176,186
b) Provision for Off Balance Sheet		
Provision on LC & BG	99,272,488	10,664,711
Less: Recoveries/Provision no longer required	-	-
	99,272,488	10,664,711
Grand Total (a+b)	243,355,854	390,840,897

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 on an 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, 2014

Notes	2014		2013	
	USD	Taka	USD	Taka
PROPERTY AND ASSETS				
Cash	-	-	-	-
Cash in hand (including foreign currency)	3	-	-	-
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)	-	-	-	-
Balance with other banks and financial institutions	2,313,810	180,882,062	2,907,233	225,673,972
In Bangladesh	-	-	-	-
Outside Bangladesh	4	180,882,062	2,907,233	225,673,972
Money at call on short notice	-	-	-	-
Investments	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
Outside Bangladesh	-	-	-	-
Loans and advances	62,316,873	4,871,621,547	50,971,042	3,956,627,107
Loans, cash credits, overdrafts, etc.	5	4,841,047,695	50,375,591	3,910,405,223
Bills purchased and discounted	6	30,573,852	595,451	46,221,884
Fixed assets including premises, furniture & fixtures	7	-	-	-
Other assets	8	3,532,555	276,157,524	3,909,416
Non banking assets	-	-	-	-
Total assets	68,163,238	5,328,661,132	57,787,691	4,488,602,720
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from other banks, financial institutions & agents	60,407,760	4,722,376,638	53,044,000	4,117,540,500
In Bangladesh	-	-	-	-
Outside Bangladesh	9	4,722,376,638	53,044,000	4,117,540,500
Deposits and other accounts	10	774,418	60,540,239	312,823
Current deposits and other accounts	-	774,418	60,540,239	312,823
Bills payable	-	-	-	-
Savings bank deposits	-	-	-	-
Term deposits	-	-	-	-
Other liabilities	11	2,885,823	225,599,215	1,747,880
Total liabilities	64,068,001	5,008,516,092	55,104,703	4,277,502,594
Capital / equity				
Paid up capital	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Surplus in profit and loss account	12	4,095,236	2,682,987	211,100,125
Total equity	4,095,236	320,145,040	2,682,987	211,100,125
Total liabilities and equity	68,163,238	5,328,661,132	57,787,691	4,488,602,720

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-February 26, 2015

Notes	2014		2013	
	USD	Taka	USD	Taka

Off Balance Sheet Items

Contingent liabilities

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

13	-	-	-	-
	-	-	-	-
	-	-	-	-
	133,449	10,432,345	813,083	63,115,588
	-	-	-	-
	133,449	10,432,345	813,083	63,115,588


Other Commitments:

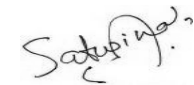
Documents credit and short term trade -related transactions
 Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities
 Undrawn formal standby facilities, credit lines and other commitments

	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	133,449	10,432,345	813,083	63,115,588

The accompanying notes form an integral part of these financial statements


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HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-February 26, 2015

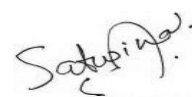
State Bank of India
Bangladesh Operation
Off-shore Banking Unit
Profit and Loss Account
For the year ended December 31, 2014

Notes	2014		2013		
	USD	Taka	USD	Taka	
Operating income					
Interest income	14	3,463,558	270,763,637	3,711,734	288,123,331
Less: Interest paid on deposits, borrowings, etc.	15	(931,531)	(72,822,452)	(1,390,124)	(107,908,392)
Net interest income		2,532,027	197,941,185	2,321,610	180,214,939
Income from investment		-	-	-	-
Commission, exchange and brokerage	16	158,930	12,424,372	178,472	13,853,881
Other operating income	17	138	10,758	5,194	403,213
Total operating income		2,691,095	210,376,315	2,505,276	194,472,033
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	2,738	214,028	809	64,553
Total operating expenses		35,370	2,765,029	809	64,553
Profit before provision		2,655,725	207,611,286	2,504,467	194,407,480
Provision for loans & advance, other assets & off Balance Sheet items	24	114,793	8,973,926	45,760	3,552,121
Profit before taxation		2,540,932	198,637,360	2,458,707	190,855,359
Provision for taxation		1,128,683	88,234,797	1,064,389	82,623,179
Current tax		1,128,683	88,234,797	1,064,389	82,623,179
Deferred tax		-	-	-	-
Profit after taxation		1,412,249	110,402,563	1,394,318	108,232,180
Retained earnings		1,412,249	110,402,563	1,394,318	108,232,180

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

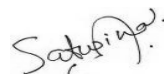
Dated: Dhaka-February 26, 2015

State Bank of India
Bangladesh Operation
Off-shore Banking Unit
Cash Flow Statement
For the year ended December 31, 2014

	2014		2013	
	USD	Taka	USD	Taka
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interest received in cash	3,478,503	271,931,945	3,560,191	276,359,828
Interest payments	(1,069,907)	(83,640,013)	(1,536,584)	(119,277,364)
Dividend received	-	-	-	-
Fees and commission received in cash	158,930	12,424,372	178,472	13,853,881
Recovery of loans and advances in cash previously written-off	-	-	-	-
Cash paid to employees	-	-	-	-
Income tax paid	-	-	-	-
Cash received from other operating activities	354	27,643	5,194	403,213
Cash paid for other operating activities	(2,743)	(214,400)	(717)	(55,618)
Cash flows before charges in operating assets and liabilities	2,565,137	200,529,548	2,206,556	171,283,940
Increase / Decrease in operating assets and liabilities:				
Loans and advances to customers	(11,345,831)	(914,994,440)	(3,026,975)	(234,968,967)
Other assets	-	-	-	-
Deposits from other Banks	7,363,760	604,836,138	5,858,423	454,760,048
Deposit from customers	461,595	36,257,349	(462,301)	(35,886,138)
Other liabilities	361,916	28,579,494	(622,542)	(46,023,916)
	(3,158,560)	(245,321,459)	1,746,604	137,881,027
Net cash from operating activities	(593,423)	(44,791,911)	3,953,160	309,164,966
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	-	-	(2,573,013.24)	(205,390,782)
Net cash from financing activities	-	-	(2,573,013)	(205,390,782)
Net increase/(decrease) in cash and cash equivalent	(593,423)	(44,791,911)	1,380,147	103,774,184
Effects of exchange rate changes on cash & cash equivalent	-	-	-	-
Opening cash and cash equivalent	2,907,233	225,673,972	1,527,087	121,899,788
Closing cash and cash equivalent	2,313,810	180,882,061	2,907,233	225,673,972



Country Head



Head of Risk Management Department

Signed as per our report of even date



HOWLADAR YUNUS & CO

Chartered Accountants

Dated: Dhaka-February 26, 2015

State Bank of India

Bangladesh Operation Off-shore Banking Unit

Notes to the Financial Statements For the year ended December 31, 2014

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 intern-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) Assets and liabilities & income and expenses have been converted into Taka currency @ US \$ 1 = Taka 78.175 (Closing mid rate as at 31st December 2014).

	2014		2013	
	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)	2,313,810	180,882,062	2,907,233	225,673,972
	2,313,810	180,882,062	2,907,233	225,673,972
4.1 In Bangladesh:				
Sonali / Rupali/CBC	-	-	-	-
4.2 Outside Bangladesh				
Current Account	2,313,810	180,882,062	2,907,233	225,673,972
	2,313,810	180,882,062	2,907,233	225,673,972
5 Loans and advances				
i) Loans, cash credits, overdrafts, etc				
Term loan	-	-	-	-
Bill purchases & discounted	-	-	-	-
Over draft	61,925,778	4,841,047,695	50,375,591	3,910,405,223
	61,925,778	4,841,047,695	50,375,591	3,910,405,223
ii) Bills purchased and discounted (note-6)				
Inside Bangladesh				
Inland bills purchased and discounted	391,095	30,573,852	595,451	46,221,884
Outside Bangladesh				
Foreign bills purchased and discounted	-	-	-	-
	391,095	30,573,852	595,451	46,221,884
	62,316,873	4,871,621,547	50,971,042	3,956,627,107
5.1 Geographical location-wise loans and advances				
Dhaka	27,056,490	2,115,141,117	11,557,968	897,187,237
Chittagong	35,260,383	2,756,480,430	39,413,074	3,059,439,869
Sylhet	-	-	-	-
Rajshahi	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	62,316,873	4,871,621,547	50,971,042	3,956,627,107
5.2 Classification of loans and advances				
Unclassified				
(i) Standard	62,316,873	4,871,621,547	50,971,042	3,956,627,107
(ii) Special mention account	-	-	-	-
Classified				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / loss	-	-	-	-
	62,316,873	4,871,621,547	50,971,042	3,956,627,107
6 Bills purchased and discounted				
In Bangladesh	391,095	30,573,852	595,451	46,221,884
Outside Bangladesh	-	-	-	-
	391,095	30,573,852	595,451	46,221,884
7 Fixed assets including premises, furniture and fixtures				
Furniture and fixtures	-	-	-	-
Office equipment and machinery	-	-	-	-
	-	-	-	-
8 Other assets				
Inter Branch Account	-	-	361,916	28,093,720
Receivables from DBU(i)	1,548,998	123,074,180	1,548,998	123,074,180
Interest income receivable on loans & advance	1,983,558	155,064,609	1,998,502	155,133,741
Exchange Fluctuation of receivables from DBU	-	(1,981,265)	-	-
	3,532,555	276,157,524	3,909,416	306,301,641

OBU's retained earning amounting to Tk.123,074,180 erroneously transferred to DBU's surplus profit & loss account. Now being corrected accordingly & included in other liabilities which is payable to OBU.

	2014		2013	
	USD	Taka	USD	Taka
9 Off-shore banking unit	60,407,760	4,722,376,638	53,044,000	4,117,540,500
	60,407,760	4,722,376,638	53,044,000	4,117,540,500
9.1 Borrowings disclosed in the following manner:				
Dhaka Branch	5,974,060	467,022,145	1,672,000	129,789,000
State Bank of India, Hongkong	54,433,700	4,255,354,493	51,372,000	3,987,751,500
	60,407,760	4,722,376,638	53,044,000	4,117,540,500
10 Deposits and other accounts				
Current deposits and other accounts (note- 10.1)	774,418	60,540,239	312,823	24,282,890
Savings deposits account (note- 10.2)	-	-	-	-
	774,418	60,540,239	312,823	24,282,890
10.1 Current deposits and other accounts				
Inter Branch a/c	-	-	-	-
Bangladesh Bank	-	-	-	-
Other Current A/C	774,418	60,540,239	312,823	24,282,890
	774,418	60,540,239	312,823	24,282,890
10.2 Savings deposits account				
Deposits from banks	-	-	-	-
Deposits from customers	-	-	-	-
	-	-	-	-
11 Other liabilities				
Interest payable on inter branch borrowings	35,271	2,757,282	173,647	13,479,338
Citi Bank N.A. New York	-	-	-	-
Provision on loans and advances(note-11.1)	624,503	48,820,538	509,710	39,566,271
Provision for Current Taxation (iv)	2,193,072	171,443,389	1,064,389	82,623,179
Stamp account	129	10,118	134	10,416
Payable to DBU	32,848	2,567,887	-	-
	2,885,823	225,599,215	1,747,880	135,679,204
11.1 Provision for loans and advances				
Provision for bad and doubtful debts (i)	-	-	-	-
Provision on unclassified loans(ii)	624,503	48,820,538	509,710	39,566,271
	624,503	48,820,538	509,710	39,566,271
i) Fresh provision on loans & advance made during the year				
On classified loans & advances as per BBK circular (ii)	-	-	-	-
On unclassified loans & advances(iii)	114,793	8,973,926	509,710	39,566,271
	114,793	8,973,926	509,710	39,566,271
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	-	-	-	-
iii) The movement in general provision on unclassified loans:				
Provision held at the beginning of the year	509,710	39,566,271	463,950	37,034,829
Adjustment	-	280,341	-	(1,020,680)
Add: Additional provision for the year	114,793	8,973,926	509,710	39,566,271
Less: Provision written back	-	-	463,950	36,014,150
Provision held at the end of the year	624,503	48,820,538	509,710	39,566,271
iv) Breakup of unclassified loans & advances				
General provision for loans & advances	-	-	-	-
General provision for Off- Balance Sheet item	-	-	-	-
v) Provision for Current Taxation (iv)				
Opening Balance	1,064,389	82,623,179	-	-
Add: Additional provision for the year	1,128,683	88,234,797	1,064,389	82,623,179
Add: Exchange Fluctuation	-	585,414	-	-
	2,193,072	171,443,389	1,064,389	82,623,179
12 Surplus in profit and loss account				
Opening balance	2,682,987	211,100,125	1,288,668	102,867,946
Add: Exchange Fluctuation	-	(1,357,648)	-	-
Add: Net profit for the year	1,412,249	110,402,563	1,394,318	108,232,180
Less: Transferred to retained earning (DBU)	-	-	-	-
	4,095,236	320,145,040	2,682,987	211,100,125
13 Contingent liabilities	133,449	10,432,345	813,083	63,115,588

	2014		2013	
	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	813,083	63,115,588
Back to back letter of credit	-	-	-	-
	133,449	10,432,345	813,083	63,115,588
Less: Margin	-	-	-	-
	133,449	10,432,345	813,083	63,115,588
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	2,924,606	228,631,098	3,045,006	236,368,580
LTR loan	-	-	-	-
Bills discount	118,858	9,291,763	98,410	7,639,067
Others	420,093	32,840,776	568,318	44,115,684
Interest on loans and advances	3,463,558	270,763,637	3,711,734	288,123,331
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
	-	-	-	-
Total interest income	3,463,558	270,763,637	3,711,734	288,123,331
15 Interest paid on deposits, borrowings, etc.				
Interest paid on Inter Branch Borrowings	931,531	72,822,452	1,390,124	107,908,392
Interest paid on Bangladesh Bank	-	-	-	-
	931,531	72,822,452	1,390,124	107,908,392
16 Commission / fees				
Commission for handling	6,995	546,831	19,664	1,526,438
Commission for LC negotiation/amendment/advising	10,002	781,873	19,253	1,494,515
Commission for foreign bill negotiation	33,146	2,591,184	52,281	4,058,316
Commission for outward remittances	3,180	248,597	4,365	338,833
Commission acceptance on bills	560	43,778	6,300	489,038
Commission for inward remittance	350	27,361	4,203	326,258
Commission for miscellaneous	104,698	8,184,748	72,406	5,620,484
	158,930	12,424,372	178,472	13,853,881
17 Other operating income				
Swift	720	56,286	1,800	139,725
Exchange Gain/(Loss)	(582)	(45,528)	2,814	218,465
Postage & courier	-	-	580	45,023
	138	10,758	5,194	403,213
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		

	2014		2013	
	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	2,738	214,028	809	64,553
	2,738	214,028	809	64,553
24 Provision for loan :				
Provision against classified loan	-	-	-	-
Provision against unclassified loan	114,793	8,973,926	45,760	3,552,121
Balance at the end of the year	114,793	8,973,926	45,760	3,552,121

**State Bank of India
Bangladesh Operation**

**Balance with other bank and financial institutions (Outside Bangladesh on Demand Deposit Accounts)
As at December 31, 2014**

Name of Bank	Currency Type	A/C Type	2014			2013		
			FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
Standard Chartered Bank, Karachi Branch	USD	CD	-	78.1750	0.00	2,329.07	77.63	180,794.05
Deutsche Bank, Mumbai	USD	CD	-	78.1750	0.00	118,643.62	77.63	9,209,711.00
JP Morgan Chase Bank	USD	CD	180,916.63	78.1750	14,143,157.73	1,753,282.23	77.63	136,098,533.10
ACU Dollar Nostro a/c	USD	CD	33,635.69	78.1750	2,629,470	47,379.68	77.63	3,677,848
Bank of America	USD	CD	79,174.93	78.1750	6,189,501	11,592.73	77.63	899,886
Deutsche Bank Trust Company, New York	USD	CD	49,607.99	78.1750	3,878,105	33,755.76	77.63	2,620,291
State Bank of India, West Germany (FF)	EURO	CD	164,276.08	94.8946	15,588,913	928,126.58	106.73	99,054,681
State Bank of India, London	GBP	CD	3,829.75	121.3506	464,742	9,604.03	127.91	1,228,457
State Bank of India, New York	USD	CD	96,438.55	78.1750	7,539,084	666,603.39	77.63	51,745,088
State Bank of India, Japan	JYEN	CD	268,072.00	0.6514	174,622	268,071.99	0.74	198,293
Total			875,952	N/A	50,607,594	3,839,389	N/A	304,913,581

**State Bank of India
Bangladesh Operation**

**Details of Large Loan
As at December 31, 2014**

Number of Clients:	
Amount of outstanding advances:	2,718,415,765
Amount of classified advances:	NIL
Measures taken for recovery:	NIL

Client wise break-up is as follows:

			December 2014	
SL.	Name of Clients	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

State Bank of India
Bangladesh Operation

Schedule of Fixed Assets
As at December 31, 2014

(Figures in Taka)

Particulars	COST				Rate %	DEPRECIATION				Written down value of 31 December 2014
	Balance as of 1 January 2014	Addition during the year	Adjustment /disposal during the year	Balance as of 31 December 2014		Balance as of 1 January 2014	Charged for the year	Adjustment/disposal during the year	Balance as of 31 December 2014	
Furniture & fixture	68,846,391	2,260,237	4,880,536	66,226,092	10	34393380	3,180,272	-	37,573,652	28,652,440
Office Appliances	27,238,995	2,262,975	(6,115,314)	35,617,284	25	21543152	5,299,489	7,200,683	19,641,957	15,975,327
Computer	73,068,437	5,446,973	5,800,470	72,714,940	25	24842240	8,807,351	(11,766,376)	45,415,967	27,298,973
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
As on 31 December 2013	169,153,823	18,297,899	1,460,784	185,990,938		87,913,722	17,298,444	-	105,212,166	80,778,772

State Bank of India
Bangladesh Operation
Statement of Tax position
As at December 31, 2014

(Figures in Taka)

Accounting Year	Assessment Year	Tax provision	Tax as per assessment	(Short) /Excess provision	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	365	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	5,400,750	203,338,070	Completed
2010	2011-2012	330,000,000	325,930,336	4,069,664	325,296,807	Completed
2011	2012-2013	510,000,000	-	-	497,941,127	Applied for rectification & Appeal with appellate tribunal
2012	2013-2014	586,000,000	-	-	-	Hearing Completed and Assessment Order is awaited.
2013	2014-2015	465,000,000	-	-	-	Tax Return is submitted u/s 82BB

**State Bank of India
Bangladesh Operation**

**Summary Statement of un-reconciled entries of Nostro accounts
For the quarter ended December 31, 2014**

(Figures in USD)

SL.	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	3	79,733.00	6	39,918.00	7	1,802.74	20	513,378.96
02		-	-	-	-	-	-	-	-
03		-	-	1	450.00	1	285.00	-	-
04	Over 3 months but below 6 months	-	-	-	-	-	-	-	-
05	Over 6 months but below 9 months	-	-	-	-	-	-	-	-
06	Over 9 months but below 12 months	-	-	-	-	-	-	-	-
07	Over 12 months	-	-	-	-	-	-	-	-
Total		3	79,733.00	7	40,368.00	8	2,087.74	20	513,378.96

State Bank of India
Bangladesh Operation
Schedule of Investment
As at December 31, 2014

(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	Lien Mark
1	BD0921411106	200,000,000.00	04-May-2011	200,000,000.00	FXD	04-May-2021	10 years	9.45%	200,000,000.00	-	Yes
2	BD0930121209	120,000,000.00	29-Sep-2010	120,435,096.00	FXD	29-Sep-2030	20 years	9.25%	120,342,478.03	-	Yes
3	BD0930121209	120,000,000.00	29-Sep-2010	120,326,091.00	FXD	29-Sep-2030	20 years	9.25%	120,256,676.70	-	Yes
4	BD0930121209	100,000,000.00	29-Sep-2010	100,181,034.00	FXD	29-Sep-2030	20 years	9.25%	100,142,497.67	-	Yes
5	BD0920131101	150,000,000.00	06-Oct-2010	150,000,000.00	FXD	06-Oct-2020	10 years	8.85%	150,000,000.00	-	Yes
6	BD0925141154	150,000,000.00	13-Oct-2010	150,614,400.00	FXD	13-Oct-2025	15 years	8.95%	150,441,596.50	-	Yes
7	BD0925141154	150,000,000.00	13-Oct-2010	150,491,250.00	FXD	13-Oct-2025	15 years	8.95%	150,353,083.13	-	Yes
8	BD0925141154	100,000,000.00	13-Oct-2010	100,245,500.00	FXD	13-Oct-2025	15 years	8.95%	100,176,451.73	-	Yes
9	BD0930161205	200,000,000.00	27-Oct-2010	200,000,000.00	FXD	27-Oct-2030	20 years	9.25%	200,000,000.00	-	Yes
10	BD0920171107	350,000,000.00	03-Nov-2010	351,145,550.00	FXD	03-Nov-2020	10 years	8.90%	350,668,890.82	-	Yes
11	BD0920171107	350,000,000.00	03-Nov-2010	350,915,950.00	FXD	03-Nov-2020	10 years	8.90%	350,534,826.54	-	Yes
12	BD0915191052	350,000,000.00	21-Nov-2010	350,000,000.00	FXD	21-Nov-2015	5 years	8.00%	350,000,000.00	-	Yes
13	BD0930201209	350,000,000.00	24-Nov-2010	354,728,850.00	FXD	24-Nov-2030	20 years	9.45%	353,758,480.91	-	Yes
14	BD0916051057	100,000,000.00	03-Aug-2011	100,000,000.00	FXD	03-Aug-2016	5 years	8.30%	100,000,000.00	-	Yes
15	BD0916051057	200,000,000.00	03-Aug-2011	200,000,000.00	FXD	03-Aug-2016	5 years	8.30%	200,000,000.00	-	Yes
16	CDBL	2,000,000.00	14-Dec-2005	2,000,000.00	ZC	31-Dec-2020	N/A	0.00%	2,000,000.00	-	No
17	CDBL	1,138,890.00	14-Oct-2010	1,138,890.00	ZC	14-Oct-2020	N/A	0.00%	1,138,890.00	-	No
18	BD0917051056	11,600,000.00	08-Aug-2012	11,600,000.00	FXD	08-Aug-2017	5 years	11.50%	11,600,000.00	-	Yes
19	BD0922061108	7,500,000.00	22-Aug-2012	7,500,000.00	FXD	22-Aug-2022	10 years	11.75%	7,500,000.00	-	Yes
20	BD0932081203	4,100,000.00	29-Aug-2012	4,100,000.00	FXD	29-Aug-2032	20 years	12.16%	4,100,000.00	-	Yes
21	BD0917091052	10,900,000.00	05-Sep-2012	10,900,000.00	FXD	05-Sep-2017	5 years	11.55%	10,900,000.00	-	Yes
22	BD0922101102	10,000,000.00	12-Sep-2012	10,000,000.00	FXD	12-Sep-2022	10 years	11.75%	10,000,000.00	-	Yes
23	BD0927111155	4,400,000.00	19-Sep-2012	4,400,000.00	FXD	19-Sep-2027	15 years	11.88%	4,400,000.00	-	Yes
24	BD0932121207	1,900,000.00	26-Sep-2012	1,900,000.00	FXD	26-Sep-2032	20 years	12.16%	1,900,000.00	-	Yes
25	BD0917131056	8,000,000.00	03-Oct-2012	8,000,000.00	FXD	03-Oct-2017	5 years	11.55%	8,000,000.00	-	Yes
26	BD0922141108	8,200,000.00	10-Oct-2012	8,200,000.00	FXD	10-Oct-2022	10 years	11.80%	8,200,000.00	-	Yes
27	BD0927151151	1,100,000.00	17-Oct-2012	1,097,723.93	FXD	17-Oct-2027	15 years	11.93%	1,097,723.93	-	Yes
28	BD0932161203	1,200,000.00	25-Oct-2012	1,198,214.73	FXD	25-Oct-2032	20 years	12.16%	1,198,214.73	-	Yes
29	BD0917171052	4,800,000.00	07-Nov-2012	4,796,426.64	FXD	07-Nov-2017	5 years	11.52%	4,796,426.64	-	Yes

Sl.	Auction Number	Face Value	Purchase Date	Purchase Cost	Coupon Type	Redemption/ Maturity Date	Tenor	Coupon	Market Value	Increase/ Decrease Amortized Cost	Lien Mark
30	BD0922181104	9,700,000.00	14-Nov-2012	9,677,557.43	FXD	14-Nov-2022	10 years	11.75%	9,677,557.43	-	No
31	BD0932201207	600,000.00	28-Nov-2012	598,219.19	FXD	28-Nov-2032	20 years	12.18%	598,219.19	-	No
32	BD0917211056	8,400,000.00	05-Dec-2012	8,409,386.78	FXD	05-Dec-2017	5 years	11.52%	8,405,495.33	-	No
33	BD0922221108	11,000,000.00	12-Dec-2012	10,993,643.00	FXD	12-Dec-2022	10 years	11.80%	10,993,643.00	-	No
34	BD0927231151	1,000,000.00	19-Dec-2012	1,001,371.00	FXD	19-Dec-2027	15 years	12.08%	1,001,185.05	-	No
35	BD0932241203	1,200,000.00	26-Dec-2012	1,200,000.00	FXD	26-Dec-2032	20 years	12.28%	1,200,000.00	-	No
36	BD0918251051	9,400,000.00	02-Jan-2013	9,406,984.51	FXD	02-Jan-2018	5 years	11.38%	9,404,196.06	-	No
37	BD0923261103	6,000,000.00	09-Jan-2013	6,000,000.00	FXD	09-Jan-2023	10 years	9.95%	6,000,000.00	-	No
38	BD0928271156	900,000.00	16-Jan-2013	900,000.00	FXD	16-Jan-2028	15 years	11.05%	900,000.00	-	No
39	BD0918291057	9,100,000.00	06-Feb-2013	9,106,745.54	FXD	06-Feb-2018	5 years	11.72%	9,104,181.79	-	Yes
40	BD0923301107	4,900,000.00	13-Feb-2013	4,900,000.00	FXD	13-Feb-2023	10 years	12.00%	4,900,000.00	-	Yes
41	BD0918331051	8,500,000.00	06-Mar-2013	8,500,000.00	FXD	06-Mar-2018	5 years	11.82%	8,500,000.00	-	Yes
42	BD0928351156	500,000.00	20-Mar-2013	499,662.94	FXD	20-Mar-2028	15 years	12.38%	499,662.94	-	Yes
43	BD0933361208	900,000.00	27-Mar-2013	898,032.33	FXD	27-Mar-2033	20 years	12.51%	898,032.33	-	Yes
44	BD0923381109	6,700,000.00	10-Apr-2013	6,677,094.44	FXD	10-Apr-2023	10 years	12.10%	6,677,094.44	-	Yes
45	BD0918411051	4,800,000.00	08-May-2013	4,791,115.20	FXD	08-May-2018	5 years	11.70%	4,791,115.20	-	No
46	BD0923241103	7,200,000.00	15-May-2013	7,160,565.60	FXD	13-Mar-2023	10 years	12.19%	7,160,565.60	-	No
47	BD0909146143	7,500,000.00	12-Jun-2013	7,458,735.00	FXD	13-Mar-2023	10 years	12.10%	7,458,735.00	-	No
48	BD0909146147	2,600,000.00	19-Jun-2013	2,589,522.57	FXD	19-Jun-2028	15 years	12.40%	2,589,522.57	-	Yes
49	BD0909146150	1,300,000.00	26-Jun-2013	1,293,384.56	FXD	26-Jun-2033	20 years	12.48%	1,293,384.56	-	Yes
50	BD0909146151	3,500,000.00	26-Jun-2013	3,497,546.96	FXD	26-Jun-2015	2 years	10.98%	3,497,546.96	-	Yes
51	BD0915011029	6,600,000.00	03-Jul-2013	6,582,659.51	FXD	01-Jul-2015	2 years	10.90%	6,582,659.51	-	Yes
52	BD0918021058	5,500,000.00	10-Jul-2013	5,493,896.16	FXD	10-Jul-2018	5 years	11.75%	5,493,896.16	-	Yes
53	BD0923031100	4,000,000.00	17-Jul-2013	3,993,187.34	FXD	17-Jul-2023	10 years	12.22%	3,993,187.34	-	No
54	BD0928041153	1,000,000.00	24-Jul-2013	995,301.07	FXD	24-Jul-2028	15 years	12.40%	995,301.07	-	No
55	BD0915051025	3,100,000.00	07-Aug-2013	3,099,456.26	FXD	06-Aug-2015	5 years	10.92%	3,099,456.26	-	No
56	BD0918206147	5,800,000.00	14-Aug-2013	5,793,567.81	FXD	14-Aug-2018	10 years	11.78%	5,793,567.81	-	No
57	BD0923031100	3,700,000.00	21-Aug-2013	3,684,360.77	FXD	17-Jul-2023	5 years	12.22%	3,684,360.77	-	No
58	BD0918101058	7,800,000.00	11-Sep-2013	7,785,589.86	FXD	11-Sep-2018	10 years	11.78%	7,785,589.86	-	No
59	BD0923031100	4,700,000.00	18-Sep-2013	4,682,234.00	FXD	17-Jul-2023	15 years	12.22%	4,682,234.00	-	No
60	BD0928121153	2,400,000.00	25-Sep-2013	2,391,944.69	FXD	25-Sep-2028	20 years	12.42%	2,391,944.69	-	Yes
61	BD0933121206	1,200,000.00	25-Sep-2013	1,193,893.44	FXD	25-Sep-2033	5 years	12.48%	1,193,893.44	-	Yes
62	BD0918141054	7,200,000.00	09-Oct-2013	7,184,041.78	FXD	09-Oct-2018	10 years	11.78%	7,184,041.78	-	No
63	BD0923031100	3,400,000.00	13-Oct-2013	3,387,035.80	FXD	17-Jul-2023	15 years	12.28%	3,387,035.80	-	Yes
64	BD0928161159	1,400,000.00	23-Oct-2013	1,393,428.42	FXD	23-Oct-2028	10 years	12.42%	1,393,428.42	-	No
65	BD0923191102	2,900,000.00	18-Dec-2013	2,892,750.00	FXD	20-Nov-2023	20 years	12.16%	2,892,750.00	-	No
66	BD0933241202	1,300,000.00	26-Dec-2013	1,294,273.27	FXD	26-Dec-2033	20 years	12.33%	1,294,273.27	-	No

Sl.	Auction Number	Face Value	Purchase Date	Purchase Cost	Coupon Type	Redemption/ Maturity Date	Tenor	Coupon	Market Value	Increase/ Decrease Amortized Cost	Lien Mark
67	BD0936428152	4,000,000.00	13-Jan-2014	3,674,588.00	ZC	12-Jan-2015	364 Days	8.80%	3,990,166.12	315,578	No
68	BD0936430158	5,200,000.00	27-Jan-2014	4,773,028.00	ZC	26-Jan-2015	364 Days	8.97%	5,170,675.00	397,647	No
69	BD0936452152	2,500,000.00	30-Jun-2014	2,315,285.00	ZC	29-Jun-2015	364 Days	8.00%	2,409,164.88	93,880	No
70	BD0918208150	4,300,000.00	01-Sep-2014	4,149,177.50	ZC	02-Mar-2015	182 Days	7.29%	4,250,278.30	101,101	No
71	BD0918210156	100,000,000.00	15-Sep-2014	96,543,600.00	ZC	16-Mar-2015	182 Days	7.18%	98,594,650.55	2,051,051	Yes
72	BD0918210156	600,000.00	15-Sep-2014	578,926.80	ZC	16-Mar-2015	182 Days	7.30%	591,431.78	12,505	Yes
73	BD0936411158	4,700,000.00	22-Sep-2014	4,359,179.50	ZC	21-Sep-2015	364 Days	7.84%	4,453,747.83	94,568	Yes
74	BD0918212152	1,600,000.00	29-Sep-2014	1,541,950.40	ZC	31-Mar-2015	182 Days	7.55%	1,571,932.06	29,982	No
75	BD0909114151	200,000,000.00	09-Oct-2014	196,333,800.00	ZC	08-Jan-2015	91 Days	7.49%	199,717,984.61	3,384,185	No
76	BD0936414152	4,600,000.00	09-Oct-2014	4,252,267.60	ZC	08-Oct-2015	364 Days	8.20%	4,332,513.54	80,246	No
77	BD0909115158	100,000,000.00	13-Oct-2014	98,159,700.00	ZC	12-Jan-2015	91 Days	7.52%	99,777,546.15	1,617,846	Yes
78	BD0918215155	150,000,000.00	13-Oct-2014	144,467,700.00	ZC	13-Apr-2015	182 Days	7.68%	146,899,480.22	2,431,780	Yes
79	BD0918215155	150,000,000.00	13-Oct-2014	144,433,200.00	ZC	13-Apr-2015	182 Days	7.73%	146,880,145.05	2,446,945	No
80	BD0918215155	3,400,000.00	13-Oct-2014	3,273,499.60	ZC	13-Apr-2015	182 Days	7.75%	3,329,104.17	55,605	Yes
81	BD09191410536	2,500,000.00	15-Oct-2014	2,502,927.50	FXD	15-Oct-2019	5 years	9.59%	2,502,802.45	-	Yes
82	BD0909116156	150,000,000.00	20-Oct-2014	147,253,950.00	ZC	19-Jan-2015	91 days	7.48%	149,456,825.27	2,202,875	Yes
83	BD0909116156	100,000,000.00	20-Oct-2014	98,166,900.00	ZC	19-Jan-2015	91 days	7.49%	99,637,408.79	1,470,509	Yes
84	BD0909116156	150,000,000.00	20-Oct-2014	147,246,750.00	ZC	19-Jan-2015	91 days	7.50%	149,455,401.10	2,208,651	Yes
85	BD0909116156	100,000,000.00	20-Oct-2014	98,162,100.00	ZC	19-Jan-2015	91 days	7.51%	99,636,459.34	1,474,359	Yes
86	BD0918217151	150,000,000.00	27-Oct-2014	144,460,950.00	ZC	27-Apr-2015	182 days	7.69%	146,469,616.48	2,008,666	Yes
87	BD0934161201	1,500,000.00	29-Oct-2014	1,494,369.00	FXD	29-Oct-2034	20 years	12.03%	1,494,369.00	-	Yes
88	BD09182181159	82,300,000.00	03-Nov-2014	79,256,957.50	ZC	04-May-2015	182 days	7.70%	80,243,438.31	986,481	Yes
89	BD0916171020	2,800,000.00	05-Nov-2014	2,801,010.80	FXD	05-Nov-2016	2 years	8.57%	2,800,932.09	-	Yes
90	BD0909119157	70,000,000.00	10-Nov-2014	67,418,260.00	ZC	11-May-2015	182 days	7.68%	68,155,900.00	737,640	Yes
91	BD0909119157	80,000,000.00	10-Nov-2014	77,042,000.00	ZC	11-May-2015	182 days	7.70%	77,887,142.86	845,143	Yes
92	BD0909119157	3,700,000.00	10-Nov-2014	3,562,337.80	ZC	11-May-2015	182 days	7.75%	3,601,669.86	39,332	Yes
93	BD0919181059	2,300,000.00	12-Nov-2014	2,297,315.90	FXD	12-Nov-2019	5 years	9.66%	2,297,315.90	-	Yes
94	BD0909119150	6,300,000.00	10-Nov-2014	6,185,875.50	ZC	09-Feb-2015	91 days	7.40%	6,251,089.50	65,214	Yes
95	BD0909120158	250,000,000.00	17-Nov-2014	245,513,500.00	ZC	16-Feb-2015	91 days	7.33%	247,732,098.90	2,218,599	Yes
96	BD0909120158	150,000,000.00	17-Nov-2014	147,306,300.00	ZC	16-Feb-2015	91 days	7.33%	148,638,349.45	1,332,049	Yes
97	BD0909120158	150,000,000.00	17-Nov-2014	147,305,250.00	ZC	16-Feb-2015	91 days	7.34%	148,637,818.68	1,332,569	Yes
98	BD0909120158	250,000,000.00	17-Nov-2014	245,507,750.00	ZC	16-Feb-2015	91 days	7.34%	247,729,192.31	2,221,442	Yes
99	BD0909120158	150,000,000.00	17-Nov-2014	147,302,550.00	ZC	16-Feb-2015	91 days	7.35%	148,636,453.85	1,333,904	Yes
100	BD0918221153	100,000,000.00	24-Nov-2014	96,303,000.00	ZC	25-May-2015	182 days	7.70%	97,074,901.10	771,901	No
101	BD0918221153	150,000,000.00	24-Nov-2014	144,447,450.00	ZC	25-May-2015	182 days	7.71%	145,606,773.63	1,159,324	No
102	BD0918221153	1,200,000.00	24-Nov-2014	1,155,351.60	ZC	25-May-2015	182 days	7.75%	1,164,673.79	9,322	No
103	BD0909121156	100,000,000.00	24-Nov-2014	98,203,200.00	ZC	23-Feb-2015	91 days	7.34%	98,953,512.09	750,312	No

Sl.	Auction Number	Face Value	Purchase Date	Purchase Cost	Coupon Type	Redemption/ Maturity Date	Tenor	Coupon	Market Value	Increase/ Decrease Amortized Cost	Lien Mark
104	BD0909121156	100,000,000.00	24-Nov-2014	98,200,700.00	ZC	23-Feb-2015	91 days	7.35%	98,952,056.04	751,356	No
105	BD0934201205	700,000.00	26-Nov-2014	695,802.80	FXD	26-Nov-2034	20 years	12.06%	695,802.80	-	Yes
106	BD0929201152	900,000.00	26-Nov-2014	898,091.10	FXD	26-Nov-2029	15 years	11.50%	898,091.10	-	Yes
107	BD0936422155	150,000,000.00	01-Dec-2014	138,801,750.00	ZC	30-Nov-2015	364 days	8.09%	139,755,447.12	953,697	Yes
108	BD0936422155	150,000,000.00	01-Dec-2014	138,788,850.00	ZC	30-Nov-2015	364 days	8.10%	139,743,645.74	954,796	Yes
109	BD0918224157	150,000,000.00	15-Dec-2014	144,488,400.00	ZC	15-Jun-2015	182 days	7.65%	145,003,219.78	514,820	Yes
110	BD0918224157	170,000,000.00	15-Dec-2014	163,730,060.00	ZC	15-Jun-2015	182 days	7.68%	164,315,713.74	585,654	Yes
111	BD0918224157	80,000,000.00	15-Dec-2014	77,042,000.00	ZC	15-Jun-2015	182 days	7.70%	77,318,296.70	276,297	No
112	BD0918224157	4,900,000.00	15-Dec-2014	4,715,426.80	ZC	15-Jun-2015	182 days	7.85%	4,732,667.15	17,240	No
113	BD0909124150	100,000,000.00	15-Dec-2014	98,231,800.00	ZC	16-Mar-2015	91 days	7.22%	98,562,123.08	330,323	Yes
114	BD0909124150	130,000,000.00	15-Dec-2014	127,691,980.00	ZC	16-Mar-2015	91 days	7.25%	128,123,148.57	431,169	Yes
115	BD0909124150	3,400,000.00	15-Dec-2014	3,338,817.00	ZC	16-Mar-2015	91 days	7.35%	3,350,246.79	11,430	Yes
116	BD0909125157	250,000,000.00	22-Dec-2014	245,453,250.00	ZC	23-Mar-2015	91 days	7.43%	245,952,892.86	499,643	Yes
117	BD0909125157	150,000,000.00	22-Dec-2014	147,268,650.00	ZC	23-Mar-2015	91 days	7.44%	147,568,798.35	300,148	No
118	BD0909125157	100,000,000.00	22-Dec-2014	98,176,700.00	ZC	23-Mar-2015	91 days	7.45%	98,377,062.64	200,363	Yes
119	BD0909125157	3,400,000.00	22-Dec-2014	3,337,593.00	ZC	23-Mar-2015	91 days	7.50%	3,344,450.91	6,858	Yes
120	BD0936425158	8,800,000.00	22-Dec-2014	8,119,804.00	ZC	21-Dec-2015	364 days	8.40%	8,138,490.70	18,687	Yes
121	BD0929201152	1,600,000.00	24-Dec-2014	1,588,417.60	FXD	26-Nov-2029	20 years	11.57%	1,588,417.60	-	Yes
122	BD0934201205	1,400,000.00	24-Dec-2014	1,390,251.80	FXD	26-Nov-2034	20 years	12.07%	1,390,251.80	-	Yes
123	BD0909126155	50,000,000.00	29-Dec-2014	49,052,200.00	ZC	30-Mar-2015	91 days	7.75%	49,083,446.15	31,246	No
124	BD0909126155	90,000,000.00	29-Dec-2014	88,283,160.00	ZC	30-Mar-2015	91 days	7.80%	88,339,759.12	56,599	No
125	BD0909126155	400,000.00	29-Dec-2014	392,178.00	ZC	30-Mar-2015	91 days	8.00%	392,435.87	258	No
126	BD0918226152	3,000,000.00	29-Dec-2014	2,881,464.00	ZC	29-Jun-2015	182 days	8.25%	2,883,417.89	1,954	No
		7,866,538,890		7,745,641,468					7,785,446,842	42,223,747	

**State Bank of India
Bangladesh Operations**

**Schedule of Risk Weighted Asset
As at December 31, 2014**

1. Credit Risk on Balance Sheet Exposures

(Figures in crore Taka)

Sl.	Exposure Type	BB's Rating Grade	Risk Weight	Exposure	Risk Weighted Asset		
1	2	3	4	5	6=(4 X 5)		
a.	Cash	N/A	0	3.59	-		
b.	Claims on Bangladesh Govt. and Bangladesh Bank	N/A	0	1,013.50	-		
c.	Claims on other Sovereigns & Central Banks	N/A		-	-		
d.	Claims on Bank for International Settlements, International Monetary Fund & European Central Bank	N/A	0	-	-		
e.	Claims on Multilateral Development Banks (MDBs)	N/A	0	-	-		
	i) IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	N/A	0	-	-		
	ii) Other MDBs	1	0.20	-	-		
		2,3	0.50	-	-		
		4,5	1.00	-	-		
		6	1.50	-	-		
Unrated	0.50	-	-				
f.	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20	-	-		
		2,3	0.50	-	-		
		4,5	1.00	-	-		
		6	1.50	-	-		
		Unrated	0.50	-	-		
g.	Claims on Banks and NBIFs	i. Original Maturity over 3 months	1	0.20	0.23	0.05	
			2,3	0.50	7.62	3.81	
			4,5	1.00	-	-	
			6	1.50	-	-	
			Unrated	1.00	-	-	
			ii. Original Maturity less than 3 months	N/A	0.20	-	-
h.	Claims on Corporate (excluding equity exposure)	1	0.2	26.20	5.24		
		2	0.5	24.62	12.31		
		3,4	1	51.17	51.17		
		5,6	1.5	-	-		
		Unrated	1.25	96.23	120.29		
h1	Claims on SME	Unrated (Small Ent. & < BDT 3.00 mio)	0.75	1.90	1.42		
		Unrated (Small Ent. & >/=BDT 3.00 mio & medium ent.)	1.00	56.51	56.51		
i.	Claims under Credit Risk Mitigation	PSE	N/A	-	-		
		Banks & NBIFs	N/A	-	-		
		Corporate	N/A	4.51	-		
		Retail & Small	N/A	6.38	-		
		Consumer Financing	N/A	-	-		
		Residential Property	N/A	-	-		
		Commercial Real Estate	N/A	-	-		

Total			1,292.46	250.80
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Fixed Risk Weight Groups

Sl.	Exposure Type	Risk Weight	Exposure	Risk Weighted Asset
j.	Claims categorized as retail portfolio & SME (excluding consumer loan)	0.75	0.22	0.16
k.	Consumer Loan	1.00	0.93	0.93
l.	Claims fully secured by residential property	0.50	10.94	5.47
m.	Claims fully secured by commercial real estate	1.00	10.40	10.40
n.	1. Past Due Claims (Risk Weights are to be assigned			
	- Where specific provisions are less than 20 percent of the outstanding amount of the past due claim;	1.50	12.30	18.45
	- Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	1.00	10.86	10.86
	- Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	0.50	3.77	1.89
	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-	1.00	-	-
o.	3. Loans and claims fully secured against residential property that are past due by 90 days and/or impaired and specific provision held there-against is more than 20% of outstanding amount	0.75	-	-
	o. Capital Market Exposures	1.25	-	-
p.	Unlisted equity investments and regulatory capital instruments issued	1.25	-	0.00
q.	Investments in venture capital	150.00	-	-
r.	Investments in premises, plant and equipment and all other fixed assets	1.00	7.19	7.19
s.	Claims on all fixed assets under operating lease	1.00	-	-
t.	All other assets			
	i. Claims on GOB & BB	0.00	-	-
	ii. Staff Loans/investments	0.20	3.54	0.71
	iii. Cash item in process of collection	0.20	-	-
	iv. Claim under Off-shore Banking Unit	1.00	-	0.00
	v. others (Net of Specific provision)	1.00	363.91	363.91
Total			1,716.52	670.77

2. Off-Balance Sheet Exposures (Credit Conversion Factors)

Sl.	Exposure Types	CCF	Notional Amount	Credit Exposure
a.	Direct Credit Substitutes	100%	-	-
b.	Lending of Securities or posting of securities as collateral	100%	-	-
c.	Other commitments with certain drawdown	100%	-	-
d.	Performance related contingencies	50%	58.60	29.30
e.	Commitments with original maturity of over one year	50%	-	-
f.	Trade related contingencies	20%	57.18	11.44
g.	Commitments with original maturity of one year or less	20%	0.00	0.00
h.	Other commitments that can be unconditionally cancelled by any time	0%	-	-
i.	Foreign exchange contact	N/A	-	-
Total			115.78	40.73

2.1 Credit Risk on Off-Balance Sheet Exposures

Sl.	Exposure Type	BB's Rating Grade	Risk Weight	Exposure	Risk Weighted Asset	
1	2	3	4	5	6 = (4X5)	
a.	Claims on Bangladesh Govt. and Bangladesh Bank	N/A	0	-	-	
b.	Claims on other Sovereigns & Central Banks	N/A		-	-	
c.	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	N/A	0	-	-	
	Claims on Multilateral Development Banks (MDBs)	N/A	0	-	-	
	i. IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	N/A	0	-	-	
	ii. Other MDBs	1	0.20	-	-	
		2,3	0.50	-	-	
		4,5	1.00	-	-	
6		1.50	-	-		
Unrated		0.50	-	-		
d.	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20	-	-	
		2,3	0.50	-	-	
		4,5	1.00	-	-	
		6	1.50	-	-	
		Unrated	0.50	-	-	
e.	Claims of Banks & NBFIs	i. Maturity over 3 months	1	0.20	-	-
			2,3	0.50	-	-
			4,5	1.00	-	-
			6	1.50	-	-
			Unrated	1.00	8.38	8.38
			N/A	0.20	4.24	0.85
f.	Claims on Corporate	ii. Maturity less than 3 months	1	0.20	-	-
			2	0.50	2.23	1.11
			3,4	1.00	5.78	5.78
			5,6	1.50	-	-
			Unrated	1.25	20.12	25.15
g.	Claims against retail portfolio & SME (excluding consumer loan)	N/A	0.75	-	-	
h.	Consumer Finance	N/A	1.00	-	-	
i.	Claims fully secured by residual property	N/A	0.50	-	-	
j.	Claims fully secured by commercial real estate	N/A	1.00	-	-	
k.	Investments in venture capital	N/A	1.50	-	-	
l.	All other assets	N/A	1.00	-	-	
Total				40.74	41.26	

3. Capital requirements for Market risk

Sl.	Details	Capital Charge for Specific Risk	Capital Charge for General Market Risk	Total	Risk Weighted Asset
1	2	3	4	5=(3+4)	6
a.	Interest Rate Related instruments	-	-	-	-
b.	Equities	-	-	-	-
c.	Foreign Exchange Position	-	0.13	0.13	1.26
d.	Commodities	-	-	-	-
Total		-	0.13	0.13	1.26

4. Capital Charge for Operational Risk

Sl.	Year	Gross Income (GI)	15% of Average Gross Income	Risk Weight	Risk Weighted Asset
a.	1 January 2013 to 31 December 2013	149.05	22.63	10	226.27
b.	1 January 2012 to 31 December 2012	164.59			
c.	1 January 2011 to 31 December 2011	138.89			
Average gross Income		150.84			
Total Risk Weighted Asset (1+2.1+3+4)					939.56

**State Bank of India
Bangladesh Operation**

**Highlights on the overall Activities
For the year ended December 31, 2014**

(Figures in Taka)

SL.	Particulars	2014	2013
1	Paid-up capital/Fund deposit with Bangladesh Bank	6,462,789,044	4,556,354,048
2	Capital surplus/(deficit)	3,511,240,988	3,023,895,946
3	Total assets	19,460,156,989	18,697,728,665
4	Total deposits	6,445,537,551	6,284,063,237
5	Total loans & advances	8,899,272,434	8,521,769,079
6	Total contingent liabilities & commitments	17,443,489,714	7,569,112,590
7	Credit deposit ratio (Loans & advances/Deposits)	138.07%	135.61%
8	Percentage of classified loans against total loans & advances	11.39%	13.58%
9	Profit after tax & provisions	547,013,778	237,551,311
10	Amount of classified loans during the current year	1,013,700,146	1,157,549,961
11	Provision kept against classified loans	646,773,046	638,908,577
12	Provisions surplus/(deficit)	39,516,998	84,602,716
13	Provision Coverage Ratio(%)	63.80%	55.19%
14	Cost of fund	3.87%	5.17%
15	Interest earning assets	164,323,486	77,595,583
16	Non-Interest earning assets	63,640,370	167,882,150
17	Return on investment (ROI) [Int. income from investment/ Total Investment]	8.55%	6.80%
18	Return on assets (ROA) [PAT/Average assets]	3.72%	1.64%
19	Return on Equity (ROE) [PAT/Average shareholders equity]	7.86%	3.60%
20	Income from investments	666,122,315	501,245,275
21	Cash reserve requirement (CRR) maintenance (%)	6.75%	6.80%
22	Statutory Liquidity Reserve maintenance (%)	102.50%	50.40%
23	Capital Adequacy Ratio (%)	79.94%	49.08%
24	Weighted average earning per share	Not Applicable	Not Applicable
25	Net income per share [(PAT-Dividend on preference share/No. of Ordinary Share)]	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 Share)/No. of Ordinary Share]	Not Applicable	Not Applicable