

State Bank of India
Bangladesh Operations

Independent Auditor's Report and
Audited Financial Statements
For the year ended 31 December 2020

Independent Auditor's Report To the Management of State Bank of India, Bangladesh Operations

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of State Bank of India, Bangladesh Operations, ("the bank"), which comprise the balance sheet as at 31 December 2020, the profit and loss accounts, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note# 2.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Loans and Advances	
See note# 7 to the financial statements	
The key audit matter	How the matter was addressed in our audit
Recognition of interest income from loans and advances has significant and wide influence on financial statements.	We tested the design and operating effectiveness of key controls over Recognition and measurement of interest on loans and advances.
Recognition and measurement of interest income has investment of complex IT environment.	We have performed test of operating effectiveness on automated control in place to measure and recognize interest income.

Independent Auditor's Report To the Management of State Bank of India, Bangladesh Operations

Report on the Audit of the Financial Statements

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Recognition and measurement of interest income has investment of complex IT environment.	We have performed test of operating effectiveness on automated control in place to measure and recognize interest income.



<p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk in recognition of interest by management to meet specific targets or expectations.</p> <p>At year end the Bank reported total loans and advance of BDT 30,879 million (2019: BDT 31,478 million) including off-shore Banking Unit.</p>	<p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
2) Valuation of treasury bill and treasury bond	
See notes# 6 and to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> <p>At year end the Bank reported total investment in treasury bill and treasure bond of BDT 7,707 million (2019: BDT 9,837 million) excluding the investment in CDBL and prize bond.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
3) Recognition of Interest Income from loans	
See note# 18.1 and to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Recognition of interest income from loans and advances has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has investment of complex IT environment.</p>	<p>We tested the design and operating effectiveness of key controls over Recognition and measurement of interest on loans and advances.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p>



<p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk in recognition of interest by management to meet specific targets or expectations.</p> <p>At year end the Bank reported total interest income of BDT 1,751 million (2019: BDT 2,124 million) including off-shore Banking Unit.</p>	<p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
4) Income generated from Indian Visa Application Centre (IVAC) Commission	
See note# 21 to the financial statements	
<p>The key audit matter</p> <p>Recognition of Commission from IVAC has significant and wide influence on financial statements.</p> <p>The measurement of the commission depends on per VISA commission that is recognized as the aforementioned income.</p> <p>We identify recognition of Indian Visa Application Centre (IVAC) commission from the Visa processing fees as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk of in recognition of interest by management at reporting and presentation.</p> <p>At year end the Bank reported total commission income BDT 284 million (2019: BDT 1,318 million).</p>	<p>How the matter was addressed in our audit</p> <p>We tested the design and operating effectiveness of key controls over Recognition and measurement of IVAC Commission.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognize IVAC commission.</p> <p>We have also performed substantive procedure to check whether IVAC commission is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant Bank's own policy of Visa processing and IVAC commission recognition and relevant accounting standards.</p>
5) IT systems and controls	
<p>The key audit matter</p> <p>Our audit procedures have been focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>How the matter was addressed in our audit</p> <p>We tested the design and operating effectiveness of the bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p>



<p>We have focused on master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of manual with automated control and automated controls.</p>	<p>We tested the periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p> <p>In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>
6) Legal and regulatory matters	
<p>The key audit matter</p> <p>We focused on this area because the Bank operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p>	<p>How the matter was addressed in our audit</p> <p>We obtained an understanding of the Bank's key controls over the legal compliance.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements of the Bank that give true and fair view in accordance with IFRSs as explained in note# 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Bank Company Act, 1991 (Amended 2013), regulations of Bangladesh Investment Development Authority (BIDA) and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities (other than matters disclosed in these financial statements);
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;

- (iv) the records and statements submitted by the branches have been properly maintained in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 840 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka,
18 February 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner
ICAB Enrollment No: 787

DVC No: 2102250787 AS289781

State Bank of India
Bangladesh Operations
Domestic and Off-Shore Banking Unit
Balance Sheet
As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3	5,598,385,830	1,723,536,273
Cash in hand (Including foreign currency)		31,412,683	28,559,218
Balance with Bangladesh bank and its agent bank(s) (Including foreign currency)		5,566,973,147	1,694,977,056
Balance with other banks and financial institutions	4	1,924,134,912	1,503,434,282
Inside Bangladesh		1,313,727,310	29,503,682
Outside Bangladesh		610,407,602	1,473,930,599
Money at call and short notice	5	400,000,000	600,000,000
Investments	6	7,710,337,388	9,840,856,792
Government		7,707,198,498	9,837,717,902
Others		3,138,890	3,138,890
Loans and advances	7	30,879,251,657	31,478,558,963
Loans, cash credit, overdrafts etc.		8,600,075,943	9,318,503,093
Bills purchased & discounted		22,279,175,714	22,160,055,870
Fixed assets including premises, furniture and fixtures	8	208,934,092	261,959,639
Other assets	9	764,500,707	853,421,166
Non-banking assets	10	-	-
Total assets		47,485,544,586	46,261,767,115
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	23,733,556,000	24,245,171,500
Deposit and other accounts	12	9,548,817,824	8,595,192,664
Current & other accounts		3,880,635,595	3,313,754,356
Saving deposits		545,344,228	485,053,128
Fixed deposits		4,946,852,037	4,495,913,168
Other deposits		175,985,964	300,472,014
Other liabilities	13	1,918,446,244	2,125,036,382
Total liabilities		35,200,820,068	34,965,400,546
Capital and shareholders' equity		12,284,724,518	11,296,366,569
Fund deposited with Bangladesh Bank	14	7,707,181,998	8,613,826,631
Retained earnings	15	4,509,717,817	2,593,971,125
Other reserve	16	67,824,703	88,568,814
Total liabilities and shareholders' equity		47,485,544,586	46,261,767,115



OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letter of guarantee
Irrevocable letter of credits
Bills for collection
Other contingent liabilities
Total contingent liabilities

Notes	31.12.2020 Taka	31.12.2019 Taka
	-	-
17	25,624,306,714	27,906,239,274
17	2,236,979,973	1,587,225,480
	-	-
	-	-
17	27,861,286,687	29,493,464,755

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

-	-
-	-
-	-
-	-
-	-
-	-
-	-
27,861,286,687	29,493,464,755

Total other commitments

Total Off-balance sheet items including contingent liabilities

The annexed notes from 1 to 34 form an integral part of these financial statements.

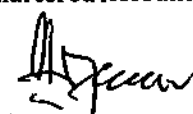

Country Head


Head of Risk Management Department

This is the balance sheet referred to in our separate report of even date.

Dhaka,
18 February 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md Moniruzzaman FCA
Partner
ICAB Enrollment No: 787

DVC No: 2102250787 AS 289 781

**State Bank of India
Bangladesh Operation
Domestic and Off-Shore Banking Unit
Profit and Loss Account
For the year ended 31 December 2020**

	Notes	2020 Taka	2019 Taka
OPERATING INCOME			
Interest income	18.1	1,751,059,224	2,124,462,763
Interest paid on deposits and borrowing etc.	19	(736,365,753)	(1,132,511,876)
Net interest income		1,014,693,472	991,950,887
Investment income	20	735,808,657	529,409,553
Commission, exchange and brokerage	21	587,152,938	1,681,039,297
Other operating income	22	2,686,185	3,989,991
		1,325,647,780	2,214,438,841
Total operating income (a)		2,340,341,252	3,206,389,728
OPERATING EXPENSE			
Salaries and allowances	23	118,242,800	150,010,846
Rent, taxes, insurance, electricity etc.	24	119,114,743	54,233,208
Legal expenses		586,386	901,540
Postage, stamps, telecommunication etc.	25	3,579,654	8,467,277
Stationery, printing, advertisement etc.	26	6,804,801	18,797,841
Chief executive's salary & fees		-	-
Auditors' fee	27	287,500	287,500
Charges on loan losses		-	-
Depreciation on and repairs to bank's assets	28	80,583,992	81,068,596
Other expenses	29	149,523,876	146,016,479
		478,723,752	459,783,287
Total operating expenses (b)		1,861,617,500	2,746,606,441
Profit before provision (c = (a-b))		1,861,617,500	2,746,606,441
Provision against loans and advances			
Loans and advances		40,485,687	(38,749,146)
Special Provision for COVID -19		8,399,498	-
Off balance sheet items		19,538,820	2,395,911
Offshore banking unit		41,014,746	88,050,752
Total provision (d)	30	109,438,751	51,697,517
Profit before taxation (e=c-d)		1,752,178,749	2,694,908,924
Provision for taxation (f)			
Current tax expense	13.4	765,000,000	1,127,000,000
Deferred tax expense	9.2	(14,189,916)	246,610
Total provision for tax		750,810,084	1,127,246,610
Net profit after taxation (g=e-f)		1,001,368,665	1,567,662,314
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividend		-	-
Retained earnings		1,001,368,665	1,567,662,314

The annexed notes from 1 to 34 form an integral part of these financial statements.

Country Head

This is the profit and loss account referred to in our separate report of even date.

Dhaka,
18 February 2021

Head of Risk Management Department

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md Moniruzzaman FCA
Partner

ICAB Enrollment No: 787

DVC No: 2102250787 AS289781

State Bank of India
Bangladesh Operations
Domestic and Off-Shore Banking Unit
Statement of Cash Flows
For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Cash flows from operating activities			
Interest receipts		2,579,151,001	2,499,439,462
Interest payment		(649,154,979)	(1,187,436,336)
Dividend received		1,713,542	2,855,903
Fees & commissions receipts		450,272,140	1,543,838,397
Received from loan write off recovery		225,000	41,951,735
Cash payments to employees		(112,793,300)	(145,065,454)
Cash payments to suppliers		(24,469,945)	(21,835,583)
Income tax paid		(1,070,107,126)	(533,699,733)
Receipts from other operating activities	32	2,686,185	3,989,992
Payment for other operating activities	33	(287,876,862)	(291,267,366)
Operating profit/(loss) before changes in operating assets & liabilities (i)		889,645,656	1,912,771,017
Change in operating assets and liabilities			
Loans & advances to customers		599,307,306	(10,074,893,229)
Other assets		(91,329,216)	501,667,423
Deposits from customers		442,009,660	9,800,337,976
Other liabilities		(183,447,217)	150,743,623
Cash generated from operating assets and liabilities (ii)		766,540,533	377,855,792
Net cash flow from operating activities (a)=(i)+(ii)		1,656,186,189	2,290,626,809
Cash flows from investing activities			
Payments for purchase of securities		2,302,088,893	(1,168,729,426)
Investment in prize bond		(6,000)	(3,100)
Purchase/sale of property, plant & equipment		406,304	1,453,842
Net cash flow from/(used in) Investing activities (b)		2,302,489,198	(1,167,278,683)
Cash flows from financing activities			
Receipts from the capitalization/ Capital Transferred to IBG		-	(408,667,371)
Net cash used in financing activities (c)		-	(408,667,371)
Net Increase in cash and cash equivalents (a+b+c)		3,958,675,387	714,680,755
Effects of exchange rate changes on cash & cash equivalent		136,880,800	137,200,901
Cash and cash equivalents at the beginning of year		3,826,981,055	2,975,099,398
Cash and cash equivalents at end of the year (*)		7,922,537,242	3,826,981,055
(*) Cash and cash equivalents:			
Cash in hand		31,412,683	28,559,218
Prize bonds		16,500	10,500
Money at call on short notice		400,000,000	600,000,000
Balance with Bangladesh Bank and its agent bank(s)		5,566,973,147	1,694,977,056
Balance with other banks and financial institutions		1,924,134,912	1,503,434,282
		7,922,537,242	3,826,981,055

The annexed notes from 1 to 34 form an integral part of these financial statements.

Dhaka,
18 February 2021


Country Head


Head of Risk Management Department

**State Bank of India
Bangladesh Operations
Domestic and Off-Shore Banking Unit
Statement of Changes in Equity
For the year ended 31 December 2020**

(Figures in Taka)

Particulars	Fund deposited with Bangladesh Bank	Other Reserve	Retained Earnings	Total Equity
Balance as of 01 January 2020	8,613,826,631	88,568,814	2,593,971,125	11,296,366,569
Net profit for the year	-	-	1,001,368,665	1,001,368,665
Amortization gain on HTM Securities transferred to P&L	-	(88,568,814)	-	(88,568,814)
Amortization gain on HTM Securities	-	67,824,703	-	67,824,703
Fund utilized which were kept as Capital	(906,644,633)	-	906,644,633	-
Last Year Profit Transferred from OBU Profit & Loss Account	-	-	425,908,855	425,908,855
Last Year Profit Transferred to DBU Profit & Loss Account	-	-	(425,908,855)	(425,908,855)
Exchange Fluctuation of OBU retained profit	-	-	7,733,394	7,733,394
Balance as at 31 December 2020	7,707,181,998	67,824,703	4,509,717,817	12,284,724,518
Balance as of 01 January 2019	9,208,739,122	41,341,940	431,396,320	9,681,477,381
Net profit for the year	-	-	1,567,662,314	1,567,662,314
Amortization gain on HTM Securities transferred to P&L	-	(41,341,940)	-	(41,341,940)
Amortization gain on HTM Securities	-	88,568,814	-	88,568,814
Fund utilized which were kept as Capital	27,822,129	-	(27,822,129)	-
Excess Fund Transferred to Surplus Profit & Loss Account	(622,734,620)	-	622,734,620	-
Excess Revaluation Reserve Transferred to Profit & Loss Account	-	-	-	-
Balance as at 31 December 2019	8,613,826,631	88,568,814	2,593,971,125	11,296,366,569

Dhaka,
18 February 2021


Country Head


Head of Risk Management Department

State Bank of India
Bangladesh Operations
Domestic and Off-Shore Banking Unit
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
For the year ended 31 December 2020

(Figures in Taka)

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
ASSETS						
Cash in hand	31,412,683	-	-	-	-	31,412,683
Balance with Bangladesh Bank	5,566,973,147	-	-	-	-	5,566,973,147
Balance with other bank, Other Banks and financial Institutions (Including foreign currencies)	1,924,134,912	-	-	-	-	1,924,134,912
Money at call and on short notice	400,000,000	-	-	-	-	400,000,000
Investments	16,500	-	3,958,823,520	1,154,523,563	2,596,973,806	7,710,337,388
Loans and advances	4,578,623,445	6,947,126	25,529,342,550	699,863,282	64,475,254	30,879,251,657
Fixed assets including premises, furniture & fixtures	-	-	-	-	208,934,092	208,934,092
Other assets	-	-	-	-	764,500,706	764,500,706
Non - banking assets	-	-	-	-	-	-
Total Assets (A)	12,501,160,687	6,947,126	29,488,166,070	1,854,386,845	3,634,883,858	47,485,544,586
LIABILITIES						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	-	-	23,733,556,000	-	-	23,733,556,000
Convertible subordinated debts	-	-	-	-	-	-
Money at call and on short notice	-	-	-	-	-	-
Deposits & other accounts	3,133,076,451	1,135,889,974	3,673,551,506	1,606,299,892	-	9,548,817,824
Provision & Other Liabilities	1,918,446,244	-	-	-	-	1,918,446,244
Total liabilities (B)	5,051,522,696	1,135,889,974	27,407,107,506	1,606,299,892	-	35,200,820,068
Amount of net liquidity difference (A-B)	7,449,637,991	(1,128,942,848)	2,081,058,563	248,086,953	3,634,883,858	12,284,724,518

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

Dhaka,
18 February 2021


Country Head


Head of Risk Management Department



**State Bank of India
Bangladesh Operations
Notes to Financial Statements
For the year ended 31 December 2020**

1. Corporate information

The State Bank of India was 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 three branches – One in Dhaka, One in Chittagong, and Other in Khulna. SBI Bd. Operation has one banking booth in Motijheel area. Apart from these branches and booth, 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 maintains capital in the form of deposit and lien of securities with Bangladesh Bank under section 13(3) of the Bank Companies Act, 1991 and these are presented as per 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 Account, 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 Companies Act 1991 (Amended 2013), as amended by BRPD circular no. 14 dated 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 IFRS 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 recognized 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 presentational currency.

ii. Foreign currency transaction

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

Assets and liabilities in foreign currencies at 31st December 2020 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 @ 40% 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 recognized 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 recognized in the Profit and Loss Accounts as per IAS 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	No amortization for at per Investment/ Amortized Gain to Revaluation reserve/ Loss to P&L (in case of Discount or Premium)
Prize Bond & Other Bond	Cost	None	None
Unquoted Shares (ordinary)	Cost	Cost	None

2.6.2 Loans and advances

- Interest on loans and advances is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per directives of Bangladesh Bank and such interest is not accounted for as income until realized from borrowers.
- Interest is not charged on bad and doubtful loans and advances from the date of filing money suits against the borrowers.
- Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BCD circular nos. 34 of 16 November 1989, 20 of 27 December 1994 and 12 of 04 September 1995 and BRPD circular nos. 16 of 06 December 1998, 9 of 14 May 2001, 2 of 15 February 2005, 9 of 20 August 2005, 17 of 6 December 2005, 5 of 5 April 2008, 07 of 14 June 2012, 14 of 23 September 2012, 19 of 27 December 2012 and 5 of 29 May 2013, BRPD(P-1)661/13/2021-117 dated 05 January 2021 respectively at the following rates:



(i) General provision on unclassified loans and advances

Particulars	Rate (%)
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 business	2%
Standard Consumers loan Scheme other than HF and LP	5%
Standard Short term Agri and Micro credit	1%
Special Mention Account general Loans and advances	1%
Special mention account Small & Medium enterprise Financing	0.25%
Special mention account loans to BHs/MBs/SDs	2%
Special mention account HF and LP	2%
Special mention account Consumer's loan scheme other than HF & LP	1%
Special provision COVID-19	1%

(ii) Specific provision on classified loans and advances

Particulars	Rate (%)
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 value method at the following rates. Depreciation will be charged from the date when the assets are ready to use for commercial operation as per IAS 16 Property, plant and equipment.
- (iii) No depreciation is charged in the year of disposal.

Category of assets	Depreciation Rate
Furniture & fixture	10%
Office equipment	25%
Computer	25%

c) Sale of fixed assets

Sale price of fixed assets is 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 IAS 16 Property, Plant & Equipment.

d) Leases

In according to IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.



An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement the bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the incremental borrowing rate.

e) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expenses in the Profit & Loss Account.

f) 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 in the meantime.

2.6.4 Other Assets

Other assets include all other financial assets and interest, fees and other unrealized 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.

The amount of forfeited provident fund was transferred from SBI employees' provident fund to SBI, Bangladesh Operation during the year.

b) Gratuity

The bank has a gratuity scheme, which covers all of its permanent employees. The gratuity is payable equivalent to 01-02 months' last drawn basic salary for each completed year of service (ranging between a maximum of 15-30 lacs) depending on the number of years of service with the bank (minimum 8 years).

c) Workers Profit Participation Fund

Consistent with widely accepted industry practice and in line with section 11(1) of the Banking Companies Act, 1991 (as amended upto date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

2.8 Revenue recognition

The revenue during the year is recognized as follows which satisfy all conditions of revenue recognition as prescribed by IFRS 15 "Revenue from Contracts with Customers".

- (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 Interest Income recognition as per Bangladesh Bank's BRPD circular no. 13, 17 & 56, 15 June, 28 September and 10 December 2020 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 IAS-7 "Statement of Cash Flows" 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 IAS-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 six 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 Country Head Office are the members and the Division Head (SAVP- Risk & Compliance) 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 Committee is being 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 of the bank is in place before the senior Management in which analytical & exhaustive information are highlighted. Yearly summary report on the audit findings are also being placed before the Audit committee of the Local Management for mentioning & highlighting different incidences and the decisions are implemented by the Bank. As a part of risk management, adequate capital is being maintained against Credit Risk, Market Risk, Operational and other Risks under Basel-III accord. Under the second pillar of Basel, a Supervisory Review Process (SRP) team has been formed 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.

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 2020, 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) Money Laundering

Money laundering has been identified as a major threat to the financial services community. It is important that the management of Banks 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 branch compliance officers at branches to reimplement the anti money laundering initiatives of the bank. A dedicated Anti-Money Laundering department has been formed at Country Head Office level including Central Compliance Unit (CCU).

To strengthen the process, SBI since introduced automated software's in different areas of banking operations. Forecheck OFAC has been introduced for checking sanction list, AMLOCK has been introduced for transaction monitoring. ACUITY has been introduced for monitoring trade based money laundering. All staff members are covered with AML training.

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 Head of ICCD. ICCD comprising of following three units to manage the ICC risks:-

- 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 regulatory 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 management, operating environment procedures management. The objective is to achieve the highest levels of technology service quality by minimum operational risk.

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 4 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 <https://bd.statebank> 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 2020, we conducted 15 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 Impact of COVID-19

On 11 March 2020 the World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease, commonly known as COVID-19. To contain the spread of this disease, along with many other countries of the world, the Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing, etc. As a result of these measures, all business and economic activities in the country have been adversely affected and this has also affected the Bank. Although the business operation and profitability of the Bank have been impacted by COVID-19, but due to the constantly changing nature of the situation and lack of certainty at present regarding how long this situation will prevail, the potential impact of COVID-19 related matters on the Bank operation and financial results cannot be reasonably assessed. The Management of the Bank assessed the going concern and found no uncertainty regarding this for the upcoming 12 months due to COVID-19. Most impacted areas in Operation of the Bank for COVID-19 are given below:

Particulars	31.12.2020 Taka	31.12.2019 Taka
Net interest income	1,014,693,472	991,950,887
Investment Income	735,808,657	529,409,553
Commission, exchange and brokerage	587,152,938	1,681,039,297
Other operating income	2,686,185	3,989,991
Total operating income (a)	2,340,341,252	3,206,389,728
Total operating expenses (b)	478,723,752	459,783,287
Profit before provision (c = (a-b))	1,861,617,500	2,746,606,441

2.15 Disclosure on fraud and forgeries committed by bank employees:

No incidents of fraud occurred during the period.

2.16 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.



2.17 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.

2.18 Interest paid and other expenses

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

2.19 Reporting period

These financial statements cover one calendar year from 01 January 2020 to 31 December 2020.

2.20 Number of employees

The number of employees employed in the Bank as on 31 December 2020 was 97, of which 78 were male and 19 were female. The number of employees per branch was 18.20 excluding 20 employees in the Country office of the Bank.

2.21 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 IAS 37 "*Provisions, Contingent Liabilities and Contingent Assets*".

2.22 Events after reporting period

In terms of provision of IAS 10 "*Events after Reporting period*" no material events have occurred after balance sheet date which could affect the values reported in the financial statements.

2.23 BASEL III Implementation

The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as 'Basel III'. 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 III 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 III in Bangladesh. As per the Committee decision BASEL III has been fully implemented in Bangladesh. The Committee has indicated that following methodology of BASEL III would be followed in Bangladesh:

- i. Standardized method for credit and market risk.
- ii. Basic indicator approach for operational risk.
- iii. 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 III 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 III implementation team and is providing training to senior management, credit officers and managers of the Bank. BASEL III implementation team has been regularly monitoring and to give various suggestion/instruction regarding implementation of the above three pillars.

2.24 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 2020, the training institute of the Bank has arranged a total of 22 training courses, seminars and workshops mostly conducted by the internal & External resource persons with 102 participants. The objectives of designing all training programmes are to bridge the gap between present level of competence and the required level of competence.

2.25 Audit committee

An audit committee was constituted by the Senior Management of State Bank of India, Bangladesh Operation. Subsequently, one of the member has retired from the bank on 31 December 2020 and reconstituted the Audit Committee is under process the earlier committee is as under:

Name	Status in the Bank	Status in the Committee	Educational Qualification
Mr. Deepak Sisodiya	HRMD	Chairman	B. SC, CAIIB, MBA, CFP
Mr. Deba Prasad Das	VP Ops	Member	B. SC.
Mr. Mohammad Masudul Amin	SAVP	Member Secretary	MBA, MBM, DAIBB
Mr. Protim Kumar Mallick	AVP IT	Member	BSC Eng, MBA
Mr. Maksudur Rahman	AVP(A&T)	Member	MBA (Finance), MPA(DU), ITP, ACGA
Mr. Sanjit Chandra Lodh	FAVP	Member	B. SC.
Mr. Idrisur Rahman	JM ICC	Member	MBA Management

During the year, the Audit Committee of the Board conducted 4 (Four) meetings in which among others, the following issues were discussed:

Facts discussed

- Discuss the Comprehensive Inspection report of Bangladesh Bank of Bangladesh Operations.
- Discuss the audit report of different Country Office departments and Branches conducted by the Bank's internal audit team from time to time.
- Discuss the fraud/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.
- Reviewing the Anti money laundering policy of the Bank.

2.26 Credit Rating of the Bank

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

Sl. No.	Year	Rating Agencies	Long Term	Short Term
1	Jan to Dec 2020	ALPHA	-	-
2	Jan to Dec 2019	ALPHA	AAA	AR-2
3	Jan to Dec 2018	ALPHA	AAA	AR-2
4	Jan to Dec 2017	ALPHA	AA	AR-2
5	Jan to Dec 2016	ALPHA	AA	AR-2
6	Jan to Dec 2015	ALPHA	AA	AR-2
7	Jan to Dec 2014	ALPHA	AA-	AR-2
8	Jan to Dec 2013	ALPHA	AA-	ST-2
9	Jan to Dec 2012	CRISL	AA+	ST-2
10	Jan to Dec 2011	CRISL	AA	ST-2

2.27 Statement of compliance

The financial statements of the Bank are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Regulation of Bangladesh Investment Development Authority (BIDA), the rules and regulations issued by Bangladesh Bank. In case any requirement of the provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 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 recognized at cost.

**ii) Revaluation gains/losses on Government securities**

IFRS: As per requirement of IFRS 9 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gain on revaluation of securities which have not matured as at the balance sheet date are recognized 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 amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

iii) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular No.14 (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 IFRS 9.

iv) Recognition of Interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized 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 recognized 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

IFRS: As per IAS 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 categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IFRS 9 cannot be made in the financial statements.

vii) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 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 under cash and cash equivalents. Money at call and on short notice is presented on the face of the balance sheet, and treasury bills, prize bonds are shown under investments.

viii) Non-banking asset

IFRS: No guidance for Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14, Non banking assets have been presented separately on face of financial statements.

ix) Cash flow statement

IFRS: 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)

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

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

xi) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

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

xii) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; 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

IFRS: 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.

xlii) Lease Assets

IFRS: Where property, plant and equipment have been financed by lease arrangement under which substantially all the risks and rewards of obligation are transferred to the lessees are treated as per IFRS 16.

Compliance: SBI recognized the IFRS 16 from 2019.

2.28 Compliance Status with IFRS and IAS

Sl. #	International Accounting Standards (IASs)	Reference	Status
1	Presentation of Financial Statements	IAS 1	Complied with BB guidelines
2	Statement of Cash Flows	IAS 7	Complied with BB guidelines
3	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Complied
4	Events after the Reporting Period	IAS 10	Complied
5	Income Taxes	IAS 12	Complied
6	Property, Plant and Equipment	IAS 16	Complied
7	Employee Benefits	IAS 19	Complied
8	The Effects of Changes in Foreign Exchange Rates	IAS 21	Complied
9	Borrowing Costs	IAS 23	Complied
10	Related Party Disclosures	IAS 24	Complied
11	Impairment of Assets	IAS 36	Complied
12	Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Complied

Sl. #	International Financial Reporting Standards (IFRSs)	Reference	Status
1	Financial Instruments: Disclosures	IFRS 7	Complied
2	Fair Value Measurement	IFRS 13	Complied
3	Revenue from Contracts with Customers	IFRS 15	Complied
4	Leases	IFRS 16	Complied

2.29 Claim not acknowledged as debt

There was no claim against the bank not acknowledged as debt as at 31 December 2020.

2.30 Remuneration of CEO

State Bank of India, Bangladesh Operations don't bear the remuneration of CEO. The salary is provided by State Bank of India, Head office and remitted to Bangladesh through International Banking Group (IBG). The tax on his salary is been settled in Bangladesh as per Income Tax Rule and Regulation in Bangladesh.



ACNABIN

Chartered Accountants

2.31 Approval of financial statements

The financial statements were reviewed and subsequently approved by the Audit Committee Meeting on 18 February 2021.

2.32 General

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.

Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka. Because of the effects of rounding off, the totals in some instances, may not match the sum of individual balances.

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



		31.12.2020 Taka	31.12.2019 Taka
3 Cash			
3.1 Cash in hand			
Local currency		21,285,599	23,730,038
Foreign currency		7,200,184	3,023,080
ATM cash balance		2,926,900	1,806,100
		31,412,683	28,559,218
3.2 Balance with Bangladesh bank and its agent bank(s)			
Local currency	(Note: 3.2a)	3,738,080,545	672,010,010
Foreign currency	(Note: 3.2b)	1,153,492,603	1,022,967,045
		4,891,573,147	1,694,977,056
Off-Shore Banking Unit		675,400,000	-
Total		5,598,385,830	1,723,536,273
3.2a Local currency			
Lien with Bangladesh Bank		-	-
Free Balance with Bangladesh Bank		3,738,080,545	672,010,010
		3,738,080,545	672,010,010
3.2b Foreign Currency			
Lien with Bangladesh Bank		-	-
Free Balance with Bangladesh Bank		1,153,492,603	1,022,967,045
		1,153,492,603	1,022,967,045
3.3 Statutory deposits			
The Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) are maintained in accordance with the section 25 and 33 of the Bank Companies Act 1991 (Amended 2013) and subsequent BRPD Circular No. 11 & 12 dated 25 August 2005, MPD circular no. 02 dated 10 December 2013, MPD circular No. 01 dated 23 June 2014 & DOS Circular Letter No. 23 dated. 07.10.2018, MPD circular No. 03 dated 9 April 2020. Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) and deposits there against with Bangladesh Bank at 31 December 2020 are as follows:			
The Cash Reserve Requirement on the Bank's Time and Demand liabilities at the rate of 4.0% (Bi-weekly) & 3.5% (on Daily) basis has been calculated and maintained with Bangladesh Bank and 13% Statutory Liquidity Ratio for conventional banking on the same liabilities has also been maintained in the form of Treasury Bills, and Bonds including FC balance with Bangladesh Bank. The status of the reserves maintained by the Bank are shown below:			
3.3.1 Cash Reserve Requirement (CRR)			
I. Daily Bank's CRR maintenance			
Required reserve DBU & OBU (5% of total time & demand liabilities)		663,925,000	1,447,062,000
Actual reserve maintained		3,778,046,193	1,601,768,000
Surplus/ (deficit)		3,114,121,193	154,706,000
Maintained (%)		11.74%	5.53%
II. Bi- Weekly bank's CRR maintenance			
Required reserve DBU & OBU (5.50% of total time & demand liabilities)		824,893,000	1,591,768,000
Actual reserve maintained		3,778,046,193	1,601,768,000
Surplus/ (deficit)		2,953,153,193	10,000,000
Maintained (%)		11.74%	5.53%
3.3.2 Statutory Liquidity Reserve (SLR)			
Required reserve DBU & OBU (13% of total time & demand liabilities)		4,185,175,000	3,762,361,000
Actual reserve maintained		10,628,695,920	9,801,292,530
Surplus/ (Deficit)		6,443,520,920	6,038,931,530
Maintained(%)		33.00%	295.28%
4. Balance with other banks and financial institutions			
Inside Bangladesh	(Note: 4.1)	1,313,727,310	29,503,682
Outside Bangladesh	(Note: 4.2)	610,407,602	1,473,930,599
		1,924,134,912	1,503,434,282

Details of balance held with banks and financial institutions outside Bangladesh are shown in Annexure-A.

4.1 Balance with other banks and financial institutions (Inside Bangladesh)
On demand deposit accounts (Current Account)

Uttara Bank Limited	
Bangladesh bank-NPSB Settlement A/C	
Standard Chartered Bank-ATM Visa Domestic Settlement A/C	
Sonali Bank Limited	

31.12.2020 Taka	31.12.2019 Taka
5,921,770	1,206,903
3,523,046	3,523,046
1,457,343	8,935,697
69,972	69,972
10,972,131	13,735,617

On Short Term Deposit (STD) Accounts

Uttara Bank Limited	
Standard Bank Ltd. Gulshan Branch	

1,962,607	9,768,152
792,573	5,999,914
2,755,179	15,768,065
13,727,310	29,503,682

b) Term Placement
Banking company

Dhaka Bank Limited (Term)	
Southeast Bank Limited (Term)	
NCC Bank Limited (Term)	

500,000,000	-
300,000,000	-
500,000,000	-
1,300,000,000	-
1,313,727,310	29,503,682

Sl. #	Bank / Financial Institute Name	Placement Amount	Placement Date	Maturity Date	ROI
01	Dhaka Bank Limited (Term)	500,000,000.00	14/12/20	14/01/21	1.75%
02	Southeast Bank Limited (Term)	300,000,000.00	07/12/20	03/01/21	3.00%
03	NCC Bank Limited (Term)	500,000,000.00	22/12/20	21/01/21	2.20%
		1,300,000,000.00			

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)	
State Bank of India, London	
State Bank of India, New York	
State Bank of India, Japan	

28,719,159	19,016,900
2,992,995	1,914,362
148,666,336	229,440,109
1,410,432	3,600,206
181,788,921	253,971,577

On demand deposit accounts (Interest bearing)

JP Morgan Chase Bank	
ACU Dollar Nostro a/c	

385,641,917	297,839,076
39,275,202	227,346,128
424,917,119	525,185,204
606,706,040	779,156,780
3,701,562	694,773,819
610,407,602	1,473,930,599

Add: Offshore Banking Unit

4.2.1 Foreign currency wise break-up

Currency Name	Amount in FC	Conversion Rate	31.12.2020 Taka	31.12.2019 Taka
US Dollar	6,794,000	84.43	577,285,017	1,449,399,131
Great Britain Pound	26,174	114.35	2,992,995	1,914,362
EURO	276,796	103.76	28,719,159	19,016,900
Japanese Yen	1,721,088	0.82	1,410,432	3,600,206
			610,407,602	1,473,930,599

4.3 Maturity grouping balance with other banks (Outside Bangladesh)

Up to 1 month	
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	

610,407,602	1,473,930,599
-	-
-	-
-	-
-	-
610,407,602	1,473,930,599

5. Money at call and short notice

Banking company	
National Bank Ltd	
Jamuna Bank Ltd	
The City Bank Limited	

400,000,000	150,000,000
-	250,000,000
-	200,000,000
400,000,000	600,000,000



5.1 Maturity grouping of money at call and short notice

Up to 1 month
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

31.12.2020 Taka	31.12.2019 Taka
400,000,000	600,000,000
-	-
-	-
-	-
-	-
400,000,000	600,000,000

6. Investments

Government Securities
Other Investments

(Note: 6.1)	7,707,198,498	9,837,717,902
(Note: 6.2)	3,138,890	3,138,890
	7,710,337,388	9,840,856,792
	-	-
	7,710,337,388	9,840,856,792

Off-shore Banking Unit

Investment in securities are classified as follows:

Held to maturity
Other Investments

(Note: 6.1)	7,707,198,498	9,837,717,902
(Note: 6.2)	3,138,890	3,138,890
	7,710,337,388	9,840,856,792

Treasury bills and treasury bonds has been pledged with Bangladesh Bank for Capital & SLR Purpose. Details of investments are given in Annexure-F.

6.1 Government securities

Treasury bills
30 day Treasury bills
91 day Treasury bills
182 day Treasury bills
364 day treasury bills

-	-
-	-
1,165,066,615	1,849,397,095
2,793,756,904	3,272,583,366
3,958,823,520	5,121,980,461

Treasury bonds
2 year Treasury Bonds
5 year Treasury Bonds
10 year Treasury Bonds
15 year Treasury Bonds
20 year Treasury Bonds

1,154,523,563	1,159,475,097
-	105,800,000
861,397,445	1,717,167,566
720,167,709	721,375,260
1,012,269,762	1,011,909,018
3,748,358,479	4,715,726,941
16,500	10,500
7,707,198,498	9,837,717,902

Prize bonds

6.2 Other investments

Quoted
Unquoted : Shares of Central Depository Bangladesh Limited (CDBL)

-	-
3,138,890	3,138,890
3,138,890	3,138,890

Particulars	No. of Shares	31.12.2020 Taka	31.12.2019 Taka
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 (Other than CDBL Shares)

Payable on demand
Below three months
Over three months but below one year
Over one year but below five years
Over five years

16,500	10,500
-	-
3,958,823,520	5,121,980,461
1,154,523,563	1,159,475,097
2,593,834,916	3,556,251,844
7,707,198,498	9,837,717,902

7. Loans and advances
a. Loans, Cash Credits, Overdrafts etc.:

Overdrafts
Demand loans
Cash credit
House building loan
Transport loan
Term loans (Other)
Loan against trust receipts (Cash Credit)
Agricultural loan (Cash Credit)
Staff loans

(Note - 7.6)

b. Bills purchase & discount
DBU Total: (a+b)

Add: Off-Shore Banking Unit:
Term Loans
Bills purchase & discount

(Note - 7.15)

	31.12.2020 Taka	31.12.2019 Taka
	556,560,561	637,538,530
	1,709,986,511	1,564,927,525
	3,841,119,607	4,325,730,167
	35,729,826	55,300,495
	564,469,386	280,830,631
	135,393,896	228,773,146
	63,316,864	160,910,947
	168,795,000	150,000,000
	41,710,685	42,566,018
	7,117,082,336	7,446,577,459
	-	755,857
	7,117,082,336	7,447,333,316
	1,482,993,607	1,871,169,776
	22,279,175,714	22,160,055,870
	30,879,251,657	31,478,558,963

7.1 Net loans and advances

Gross loans and advances

Less: Interest suspense

Provision for loans & advances (Specific provision)

Add: Off-Shore Banking Unit

	7,117,082,336	7,447,333,316
	12,680,576	4,444,745
	90,932,340	86,655,038
	103,612,916	91,099,783
	7,013,469,420	7,356,233,534
	23,762,169,321	24,031,225,646
	30,775,638,741	31,387,459,180

7.2 Maturity wise grouping of loans and advances

Repayable on demand
More than 1 months to 3 months
More than 3 months to 1 Year
More than 1 year to 5 years
More than 5 years

	4,578,623,445	663,982,024
	6,947,126	1,434,995,836
	25,529,342,550	25,572,968,040
	699,863,282	1,761,832,880
	64,475,254	2,044,780,182
	30,879,251,657	31,478,558,963

7.3 Loans and advances under the following broad categories
Inside Bangladesh

Term Loans
Cash Credits
Overdrafts & Demand Loan & Agriculture Loan
Staff Loan
Bills purchase & discount

Outside Bangladesh

Term Loans
Cash credits
Overdrafts

Add: Off-Shore Banking Unit

Term Loan
Bill purchase & discount

	735,593,108	564,904,272
	3,904,436,471	4,486,641,115
	2,435,342,072	2,352,466,055
	41,710,685	42,566,018
	-	755,857
	7,117,082,336	7,447,333,316
	-	-
	-	-
	-	-
	7,117,082,336	7,447,333,316
	1,482,993,607	1,871,169,776
	22,279,175,714	22,160,055,870
	23,762,169,321	24,031,225,646
	30,879,251,657	31,478,558,963

7.4 Geographical location wise portfolio grouping
Inside Bangladesh

Dhaka Division
Chittagong Division
Khulna Division

Add: Off-Shore Banking Unit

	5,454,510,440	5,593,691,804
	1,635,748,374	1,825,555,413
	26,823,523	28,086,100
	7,117,082,336	7,447,333,316
	23,762,169,321	24,031,225,646
	30,879,251,657	31,478,558,963

All 3 (three) of our branches are located in urban areas. However, as we have obtained approval to open new branches in Bangladesh, we shall increase our loans and advances portfolio in rural areas of the country as well.

7.5 Significant concentration wise grouping

Staff

Managing Director & CEO
Senior Executives
Others

Industries

i) Agricultural and Jute
ii) Readymade garments
iii) Textile
iv) Food & allied
v) Chemical
vi) Cement
vii) Rubber, Plastic, Printing Publishing & allied Industries
viii) Metal Products & Steel
ix) Household
x) IT based
xi) Other

Infrastructural

i) Power
ii) Construction
iii) Transport
iv) Feed / Trade & Commerce
v) Others

Consumers

i) Commercial lending
ii) Household
iii) House building loan
iv) Small and medium enterprise
v) Non-banking financial institutions
vi) Others

Add: Off-Shore Banking Unit

31.12.2020 Taka	31.12.2019 Taka
-	-
10,892,494	11,205,787
30,818,191	31,360,231
41,710,685	42,566,018
168,795,000	150,000,000
24,590,919	24,578,844
39,319,460	51,513,350
182,066,622	238,042,718
37,143,146	30,327,391
225,037,756	322,637,563
30,854,517	18,559,005
773,180,824	846,525,660
-	-
367,257,217	367,680,773
2,986,381,179	3,600,562,724
4,834,626,641	5,650,428,027
-	-
197,947,052	183,066,188
1,008,834,109	468,353,766
215,700,818	167,525,636
-	-
1,422,481,980	818,945,590
-	-
10,506,677	9,309,303
35,729,826	55,300,495
625,132,555	768,586,937
47,186,336	43,617,110
99,707,638	58,579,837
818,263,031	935,393,682
7,117,082,336	7,447,333,316
23,762,169,321	24,031,225,646
30,879,251,657	31,478,558,963

7.6 Staff loan

Overdraft Loan (Interest Bearing)
Overdraft Loan (Interest Free)
Car and motorcycle loan
House building Loan

11,403,244	11,426,826
816,980	714,798
-	-
29,490,462	30,424,394
41,710,685	42,566,018

7.7 Detail of large loan

Total capital of the Bank was Taka 12,284.72 million for BD. Operations as at 31 December 2020 (Taka 11,296.37 million at 31 December 2019 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.

7.7.1 Restructured loan

There is no restructured loan during the year 2020 and 2019.

7.8 Grouping as per classification rules

Unclassified

Standard including staff loan
Special Mention Account (SMA)

Add: Off-Shore Banking Unit(UC)

6,989,354,375	7,317,822,353
-	-
6,989,354,375	7,317,822,353
23,762,169,321	24,031,225,646
30,751,523,696	31,349,047,999



Classified
Sub standard
Doubtful
Bad/ Loss

31.12.2020 Taka	31.12.2019 Taka
47,186,336	43,617,110
-	-
80,541,626	85,893,854
127,727,961	129,510,963
30,879,251,657	31,478,558,963

7.9 Loan type wise total loan

Overdraft
Demand Loan
Term Loan
Cash Credit
Staff Loan

556,560,561	787,538,530
1,709,986,511	1,565,683,382
735,593,108	564,904,272
4,073,231,471	4,486,641,115
41,710,685	42,566,018
7,117,082,336	7,447,333,316

Add: Off-Shore Banking Unit
Term Loan
Bill purchase & discount

1,482,993,607	1,871,169,776
22,279,175,714	22,160,055,870
23,762,169,321	24,031,225,646
30,879,251,657	31,478,558,963

7.10 Sector-wise allocation of loans and advances

Agriculture, fishing, forestry and dairy firm
Industry (jute, textile, garments, chemicals, cements etc.)
Transport Operator Loan
Working capital financing
Export credit
Commercial credit
Small and cottage industries
Miscellaneous

168,795,000	150,000,000
145,890,304	203,685,912
1,008,834,109	280,830,631
5,422,466,783	6,298,045,649
-	-
-	-
183,441,314	-
187,654,826	514,771,125
7,117,082,336	7,447,333,316

Add: Off-Shore Banking Unit
Term Loan
Bill purchase & discount

1,482,993,607	1,871,169,776
22,279,175,714	22,160,055,870
23,762,169,321	24,031,225,646
30,879,251,657	31,478,558,963

7.11 Securities wise classification of loans/advances including bills purchase and discount

Collateral of moveable/immoveable assets
Nonbanking financial institutions guarantee
Local banks/foreign banks guarantee
Export documents
Cash and quasi cash
Personal guarantee
Other securities

4,584,813,206	4,981,486,479
47,186,336	43,617,110
354,816,155	365,207,719
-	-
108,189,190	113,904,942
338,481	1,407,314
2,021,738,970	1,941,709,753
7,117,082,336	7,447,333,316

Add: Off-Shore Banking Unit
Term Loan
Bill purchase & discount

1,482,993,607	1,871,169,776
22,279,175,714	22,160,055,870
23,762,169,321	24,031,225,646
30,879,251,657	31,478,558,963

31.12.2020 Taka	31.12.2019 Taka
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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 2020	Required provision December 2019
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing, BHs/ MBs/ SDs, Housing & loans for professional)	4,566,381,544	4,566,381,544	1%	45,663,815	60,196,354
Small & Medium enterprise financing	2,170,873,792	2,170,873,792	0.25%	5,427,184	2,605,663
Housing & loan for professional	35,659,445	35,659,445	1.00%	356,594	540,464
Consumer finance	5,933,909	5,933,909	2.00%	118,678	465,465
Special Mentioned Account	-	-	0.25%	-	-
Short-term Agriculture Loan	168,795,000	168,795,000	1.00%	1,687,950	1,500,000
Staff Loan	41,710,685	41,710,685	0.00%	-	-
Total	6,989,354,375	6,989,354,375		53,254,223	65,307,946
Add: Off- Shore Banking Unit	23,762,169,320.98	23,762,169,321	1.00%	237,621,693	240,312,256
Total	30,751,523,696	30,751,523,696		290,875,916	305,620,203

Specific provision (COVID-2019)

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2020	Required provision December 2019
Standard Loan (for deferral benefits) for DBU	839,949,827	839,949,827	1%	8,399,498	-
Standard Loan (for deferral benefits) for OBU	4,374,762,851	4,374,762,851	1%	43,747,629	-
Total	5,214,712,678	5,214,712,678		52,147,127	-

Provision required for off-balance sheet Items (General Provision):

Name of Exposure	Outstanding	Rate (%)	Required provision December 2020	Required provision December 2019
Acceptances and endorsements	-	1%	-	-
Letter of guarantees	25,624,306,714	Basel-III	190,745,705	206,955,655
Irrevocable letter of credits	2,236,979,973	1%	22,369,800	15,872,255
Total	27,861,286,687		213,115,505	222,827,910

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

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

Excess/(Short) provision at 31 December 2020

556,138,548	528,448,113
633,408,813	529,226,304
77,270,266	778,191

Provision required for classified loans & advances (Specific provision)

Status	Outstanding	Base for provision	Rate	Required provision December 2020	Required provision December 2019
Sub-standard	47,186,336	41,131,315	20%	8,226,263	8,226,263
Doubtful	-	-	50%	-	-
Bad/Loss	80,541,626	21,232,801	100%	21,232,801	23,749,781
Total	127,727,961	62,364,116		29,459,064	31,976,044

Total provision maintained for classified assets:

Sub Standard

Doubtful

Bad/loss

47,186,336	10,904,277
-	-
43,746,005	75,750,760
90,932,340	86,655,038
61,473,277	54,678,993

Excess/(Short) of provision



7.13 Particulars of loans and advances

	31.12.2020 Taka	31.12.2019 Taka
i) Debts considered good in respect of which Bank is fully secured	94,372,566	110,230,890
ii) Debts considered good for which Bank holds no other security than the debtor's personal security	341,991	1,407,314
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	7,022,367,780	7,206,184,149
iv) Debts adversely classified; for which no provision is created	-	-
	7,117,082,337	7,317,822,353
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	-	-
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	90,932,340	75,750,760
c) Interest creditable to the Interest Suspense a/c	12,680,576	4,444,745
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	1,254,053	58,169,953
- Cumulative to date (After recovery of Taka 225,000)	1,224,007,045	1,164,808,041
xii) The amount of written off loans for which law suit filed	1,224,007,045	1,259,002,806

7.14 Suit filed by the bank (branch wise)

Dhaka Region	539,386,114	557,679,537
Chittagong Region	684,620,931	701,323,269
Sylhet Region	-	-
	1,224,007,045	1,259,002,806

7.15 Bill Purchased & discounted under the following

Inside Bangladesh	-	755,857
Outside Bangladesh	-	-
DBU Total	-	755,857
Add: Off-Shore Banking Unit (Inside Bangladesh)	22,279,175,714	22,160,055,870
	22,279,175,714	22,160,811,727

7.16 Maturity wise grouping of bill purchased & discounted

Payable within 1 month	-	-
Over 1 month but less than 3 months	-	755,857
Over 3 months but less than 6 months	-	-
6 months and more	22,279,175,714	22,160,055,870
	22,279,175,714	22,160,811,727

7.17 Write off of loans & advances

Balance at the beginning of the year	1,222,977,992	1,206,759,775
Add: Write off during the year	1,254,053	58,169,953
	1,224,232,045	1,264,929,727
Less: Recovery of Write off loans	225,000	41,951,735
	1,224,007,045	1,222,977,992

Details are given in Annexure-G.

31.12.2020 Taka	31.12.2019 Taka
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7.18 Cash Incentive for Good Borrower

Recently, Bangladesh Bank has discontinued the Cash Incentive for Good Borrower vide letter no. BRPD - 14, dated. 18th June 2020.

7.19 Provision for other Assets

Maturity of other asset within one year. So there are not required charge any provision.

8. Fixed assets including premises, furniture and fixtures
A. Cost

Opening balance

Add: Adjustment for implementation of IFRS-16 (asset under right to use)

Adjusted opening balance

Add: Addition during the year

Less: Disposal/adjustment during the year

510,002,196	259,130,101
-	230,505,946
510,002,196	489,636,047
24,469,945	21,819,991
534,472,141	511,456,038
2,010,181	1,453,841
532,461,959	510,002,196

B. Accumulated Depreciation

Opening balance

Add: Charged during the year

Less: Disposal/adjustment during the year

248,042,558	171,231,843
77,089,187	76,810,715
325,131,745	248,042,558
1,603,877	-
323,527,867	248,042,558
208,934,092	261,959,639

Written down value (A-B)

A schedule of Fixed Assets is given in Annexure-C

The Bank adopted IFRS 16: *Leases* from the year under reporting and Adjustment for implementation of IFRS-16 (asset under right-of-use) represents impact of such implementation regarding assets under right to use (asset under lease.)

9 Other assets
Income generating other assets

Interest receivable on treasury bond

Dividend receivable From CDBL

Interest receivable on Inter Bank Call Money

55,968,416	74,365,559
-	2,855,903
1,540,278	158,333
57,508,694	77,379,795

Non-income generating other assets

Stationery, stamps, printing materials etc.

Advance rent and advertisement

Memento Coin

Deferred Expenses

Excise duty

Advance Payment of Income Tax

Deferred tax asset

ISO Reconciliation

Miscellaneous Assets

Receivables from OBU

(Note-9.2)

14,213,618	19,382,696
41,190,419	9,723,446
24,500	24,500
-	-
4,405,505	241,445
335,227,847	376,843,830
16,090,678	1,900,762
-	-
326,771	-
-	-
411,479,339	408,116,678
468,988,032	485,496,473
295,512,674	367,924,693
764,500,707	853,421,166

Add: Off-Shore Banking Unit

Inter Branch (ISO) BDT 24,530 has been netted of during consolidation.

9.1 Maturity Grouping of other Assets

Less than 1 (one) month

Within 1 (one) year

More than 1 Year

429,272,859	476,577,337
335,227,847	376,843,830
-	-
764,500,707	853,421,166

9.2 Deferred tax 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 International Accounting Standard (IAS) 12.

Deferred tax asset on Fixed Assets

Deferred tax assets on Right of Use (ROU) Assets

(Note-9.2.1)

(Note-9.2.2)

1,632,224	1,900,762
14,458,454	-
16,090,678	1,900,762

9.2.1 Deferred tax Asset on Fixed Assets

Opening balance
Less: Deferred Tax Expense during the year

31.12.2020 Taka	31.12.2019 Taka
1,900,762	2,147,371
268,538	246,609
<u>1,632,224</u>	<u>1,900,762</u>

9.2.2 Deferred tax assets on Right of Use (ROU) Assets

Particulars	Accounting Base	Tax Base	Temporary Difference
Right of Use (ROU) Assets	118,233,990	-	118,233,990
Lease Liability	(154,380,125)	-	(154,380,125)
	<u>(36,146,135)</u>	-	<u>(36,146,135)</u>
Tax rate			40%
Deferred tax assets as at 31 December 2020			<u>(14,458,454)</u>
Deferred tax assets as at 31 December 2020			(14,458,454)
Deferred tax assets as at 31 December 2019			-
Deferred tax income for the year 2020			<u>(14,458,454)</u>

9.3 Advance Payment of Income Tax

Balance at the beginning of the year
Add: Addition during the year
Less: paid during the year

376,843,830	306,088,017
1,028,491,144	836,489,899
1,405,334,974	1,142,577,915
1,070,107,126	765,734,086
<u>335,227,847</u>	<u>376,843,830</u>

10. Non-banking assets

No non-banking assets acquired against those claims are under the possession of the bank. State Bank of India, Bangladesh Operations has not acquired any such assets as on 31 December 2020.

11. Borrowings from other banks, financial institutions & agents

Domestic Banking Unit
Offshore Banking Unit

-	-
23,733,556,000	24,245,171,500
<u>23,733,556,000</u>	<u>24,245,171,500</u>

12. Deposit and other accounts
Local currency

Current & other accounts
Bills payable
Saving deposits
Fixed deposits
Short term deposit
Other deposits

2,312,094,763	1,499,391,742
82,759,563	113,076,336
545,344,228	485,053,128
4,946,852,037	4,495,913,168
91,849,860	186,008,110
140,559	151,586
<u>7,979,041,010</u>	<u>6,779,594,069</u>

Foreign currency

Current & other accounts
Other deposits

1,506,777,950	1,754,086,535
1,235,982	1,235,982
<u>1,508,013,932</u>	<u>1,755,322,517</u>
9,487,054,942	8,534,916,585
61,762,882	60,276,079
<u>9,548,817,824</u>	<u>8,595,192,664</u>

Add: Offshore Banking Unit

12.1 Deposit details concentrating liquidity nature
1) Demand deposit

Current deposit
Saving deposit (10%)
Foreign currency deposit
Short term deposit
Other demand deposit-local currency
Other demand deposit-foreign currency

2,312,094,763	1,499,391,742
54,534,423	48,505,313
1,506,777,950	1,754,086,535
91,849,860	76,263,325
82,900,122	151,586
1,235,982	1,235,982
<u>4,049,393,100</u>	<u>3,379,634,482</u>

- ii) Time deposit
Saving deposit (90%)
Fixed deposit
Foreign currency deposit
Short term deposit

Add: Offshore Banking Unit

31.12.2020 Taka	31.12.2019 Taka
490,809,805	436,547,815
4,946,852,037	4,495,913,168
-	-
-	222,821,121
5,437,661,842	5,155,282,103
9,487,054,942	8,534,916,585
61,762,882	60,276,079
9,548,817,824	8,595,192,664

12.2 Maturity wise grouping of deposits

- Payable on demand
Payable within 1 month
Over 1 month but within 3 months
Over 3 month but within 1 year
Over 1 year but within 5 years
Over 5 years
Off-Shore Banking Unit

3,133,076,451	3,019,713,400
1,135,889,974	935,510,054
3,673,551,506	2,825,113,775
1,606,299,892	111,272,150
-	1,703,583,285
61,762,882	60,276,079
9,548,817,824	8,595,192,664

13. Other liabilities

- Foreign Currency claims received accounts
Fixed Deposit interest account
Provision on loans and advances
Interest Suspense Account
Withholding tax payable (payable on interest)
Provision for current taxation
Inter branch adjustment account
Lease obligation
Short Term Deposit Interest Account
Provision for audit fees
Interest Payable on Call Money
Other Provision

(Note-13.1)

(Note-13.2)

(Note-13.3)

(Note-13.4)

(Note-13.5)

-	-
87,384,008	99,045,065
442,929,611	375,484,659
12,680,576	4,444,745
641,487	-
833,397,428	1,138,504,554
-	52,075
154,380,125	131,133,212
-	-
287,500	287,500
-	-
11,423,205	13,516,846
1,543,123,941	1,762,468,657
375,322,303	362,567,725
1,918,446,244	2,125,036,382

Add: Offshore Banking Unit (Including Provision)

13.1 Provision for loans and advances (DBU)

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

a. General (For more details 13.1.1)

- Balance at the beginning of the year
Add: Provision made during the year

288,829,622	130,034,324
54,768,151	158,795,298
343,597,772	288,829,622

b. Special Provision for COVID-19

- Balance at the beginning of the year
Add: Provision made during the year

-	-
8,399,498	-
8,399,498	-

c. Specific

- Balance at the beginning of the year
Add: Provision made during the year
Less: Recoveries and provision no longer required
Less: Write off during the year

86,655,038	149,629,757
5,256,356	31,254,907
-	78,011,410
979,053	16,218,217
90,932,341	86,655,038
442,929,611	375,484,659

Net actual provision at the end of year (a+b+c)



31.12.2020 Taka	31.12.2019 Taka
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13.1 General Provisions for UC Loans & Advance and off balance sheet items

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

a. General Provision for Loans & Advance		
Balance at the beginning of the year	66,001,712	57,994,355
Add: Provision made/ (adjusted) during the year	35,229,331	8,007,357
	101,231,043	66,001,712
b. General Provision for Off Balance Sheet Exposure		
Balance at the beginning of the year	222,827,910	220,431,999
Add: Provision made/ (adjusted) during the year	19,538,820	2,395,911
	242,366,730	222,827,910
Total General Provision (a+b)	343,597,772	288,829,622

13.2 Interest suspense

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

Balance at the beginning of the year	4,444,745	44,961,516
Add: Amount transferred during the year	8,235,831	1,434,965
	12,680,576	46,396,481
Less: Amount of Interest suspense recovered	-	-
Less: Write off during the year	-	41,951,736
	12,680,576	4,444,745

13.3 Withholding tax payable

Balance at the beginning of the year	-	5,763
Add: Addition during the year	148,036,574	35,520,858
	148,036,574	35,526,621
Less: Paid during the year	147,395,087	35,526,621
	641,487	-

13.4 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. 765,000,000.00 has been provided for current Income Tax.

Balance at the beginning of the year	1,138,504,554	777,238,640
Add: Provision made during the year	765,000,000	1,127,000,000
	1,903,504,554	1,904,238,640
Less: Adjustment with advance tax	1,070,107,126	765,734,086
	833,397,428	1,138,504,554

Statement of tax position is given in Annexure-D.

13.5 Lease obligation

Opening balance	131,133,212	-
Add: Addition during the year	-	230,505,946
	131,133,212	230,505,946
Less: Advance adjustment	(60,867,260)	60,867,260
Payment made during the year	40,444,994	42,282,202
	151,555,478	127,356,484
Add: Interest expense	2,824,647	3,776,728
	154,380,125	131,133,212

14. Fund deposited with Bangladesh Bank

Securities lien with Bangladesh Bank	8,613,826,631	8,586,004,502
Less: Transferred to Retained Earnings	(906,644,633)	-
Add: Fund Transferred from Surplus Profit & Loss Account	-	27,822,129
	7,707,181,998	8,613,826,631

(Note-15)

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.

31.12.2020 Taka	31.12.2019 Taka
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14.1 Capital adequacy as per Basel - III

The Bank's approach to capital management is driven by a desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements at all times and to maintain good credit ratings. Compliance with capital adequacy regulations Capital requirements for the Bank at a local level are set and monitored by Bangladesh Bank. The capital that the Bank is required to hold is determined considering its balance sheet and off-balance sheet positions in accordance with guidelines on risk based capital adequacy.

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

Regulatory capital

1. Tier-1 (Core capital)	(Note 14.1.1)	12,200,809,137	11,205,896,994
2. Tier-2 (Supplementary capital)	(Note 14.1.2)	633,408,812	529,226,304
A. Total regulatory Capital (1+2)		12,834,217,949	11,735,123,298
 B. Total Risk Weighted Assets (RWA)	(Note 14.2)	19,334,793,230	19,221,817,552
C. Total (including Tier II) required is 10%		66.38%	61.05%
D. Common Equity Tier I of at least @ 4.5% of the total RWA		63.10%	58.30%
E. Tier I capital will be at least @ 6% of total RWA		63.10%	58.30%
F. Minimum Capital Requirement (MCR)			
10 % of RWA		1,933,479,323	1,922,181,755
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)		8,834,217,949	7,735,123,298

14.1.1 Tier - I (Core Capital)

Fund deposited with Bangladesh Bank	7,707,181,998	8,613,826,631
Statutory reserve	-	-
Retained Earnings	4,509,717,817	2,593,971,125
Actuarial gain / loss kept in books in Bangladesh	-	-
Sub-total	12,216,899,815	11,207,797,756
 Amount deductible from CET 1 Capital (Regulatory Adjustments)		
Book value of Goodwill	-	-
Shortfall in provision required against classified assets irrespective of any relaxation allowed	-	-
Deficit on account of revaluation of investment in AFS category	-	-
Any increase in equity capital resulting from a securitization transaction	-	-
Deferred tax assets	16,090,678	1,900,762
Investment in subsidiary	-	-
Other if any	-	-
Sub-total	16,090,678	1,900,762
Total eligible Tier - 1 Capital	12,200,809,137	11,205,896,994

14.1.2 Tier - II (Supplementary Capital)

General Provision	633,408,812	529,226,304
Asset revaluation reserve	33,912,352	44,284,407
Preference Share	-	-
Perpetual Subordinated debt	-	-
Exchange Equalization Fund	-	-
Total eligible Tier - 2 Capital	667,321,164	573,510,711
Regulatory Adjustment	33,912,352	44,284,407
Revaluation Reserve for Fixed Assets, Securities & Equity Securities	633,408,812	529,226,304

14.2 Risk Weighted Assets (RWA)

1. Investment (credit) Risk		
(i) On-balance sheet	8,469,058,042	9,041,191,221
(ii) Off-balance sheet	6,914,142,012	6,337,929,951
	15,383,200,054	15,379,121,172
2. Market Risk	286,220,674	53,612,625
3. Operational risk	3,665,372,501	3,789,083,756
	19,334,793,230	19,221,817,552

15. Retained earnings

Balance at the beginning of the year	
Add: Net Profit for the year	
Add: Net Profit received from Off-share Banking Unit (OBU)	
Add: Excess Income Tax Provision written back	
Add: Excess Revaluation Reserve Transfer to Profit & Loss Account	
Add: Exchange Fluctuation	
Add: Amount transferred from deposit kept with Bangladesh Bank for Capital and SLR Purpose/ (Release from Fund Deposit with Bangladesh Bank)	(Note-14)

31.12.2020 Taka	31.12.2019 Taka
2,593,971,125	1,054,130,940
1,001,368,665	1,567,662,314
-	-
-	-
-	-
7,733,394	-
906,644,633	(27,822,129)
4,509,717,817	2,593,971,125

16. Other reserve

Balance at the beginning of the year	
Add: Amortization gain on HTM securities during the year	
Less: Transferred to Profit & Loss Account at maturity	
Off-shore Banking Unit	

88,568,814	41,341,940
320,137,849	156,669,780
408,706,662	198,011,720
340,881,959	109,442,907
67,824,703	88,568,814
-	-
67,824,703	88,568,814

17. Contingent liabilities

Acceptances and endorsements	
Letter of guarantee (Excluding Margin)	(Note-17.1)
Irrevocable letter of credits (Excluding Margin)	(Note-17.2)
Bills for collection	
Other contingent liabilities	

25,624,306,714	27,906,239,274
2,236,979,973	1,587,225,480
-	-
-	-
27,861,286,687	29,493,464,755

17.1 Letter of guarantee

Letter of Guarantee (Local)	
Letter of Guarantee (Foreign)	
Foreign counter Guarantee	

-	-
25,624,306,714	27,906,239,274
-	-
25,624,306,714	27,906,239,274
144,535,000	144,535,000
25,479,771,714	27,761,704,274

Less: Margin (cash)

Balance for which the Bank is contingently liable in respect of guarantee issued favoring

Directors	
Government	
Bank and other financial institution	
Others	

-	-
-	-
27,906,239,274	27,906,239,274
-	-
27,906,239,274	27,906,239,274
144,535,000	144,535,000
27,761,704,274	27,761,704,274

Less : Margin (cash)

17.2 Irrevocable letter of credit

Letter of Credit (Inland)	
Letter of Credit (General)	
Back to Back L/C	

2,236,979,973	1,587,225,480
-	-
-	-
2,236,979,973	1,587,225,480
521,276,979	630,570,503
1,715,702,994	956,654,977

Less: Margin

17.3 Suit filed against the bank

No law suit has been filed against the bank for which Bank's are contingent liabilities.



		2020 Taka	2019 Taka
18 Income statement			
Income			
Interest, discount and similar income	(Note-18.1)	649,223,337	692,025,153
Fees, commission and brokerage	(Note-18.2)	575,464,261	1,675,096,658
Gains less losses arising from investment securities		735,808,657	529,409,553
Income from non-banking assets		-	-
Other operating income	(Note-22)	2,686,185	4,018,570
Interest Income from Interbranch Call Money		36,601,214	133,442,828
		1,999,783,653	3,033,992,762
Expenses			
Interest, fees and commission	(Note-19)	336,895,186	347,382,605
Administrative expenses	(Note-18.3)	175,551,477	231,527,912
Other operating expenses		148,029,498	145,624,696
Depreciation on banking assets	(Note-28)	77,089,187	76,810,715
		737,565,348	801,345,928
Operating profit (DBU)		1,262,218,305	2,232,646,834
Operating profit (OBU)		599,399,195	513,959,607
		1,861,617,500	2,746,606,441
18.1 Interest, discount and similar income			
Interest on loans and advances	(Note 18.1.1)	649,223,337	692,025,153
Interest on money at call and short notice		-	-
Interest on balance with other banks		-	-
Interest on treasury bills & bonds		-	-
Interest on fixed deposits with other banks		-	-
Interest on other sundry income		-	-
		649,223,337	692,025,153
Add: Offshore Banking Unit		1,101,835,887	1,432,437,610
		1,751,059,224	2,124,462,763
18.1.1 Interest on loans and advances			
Cash Credits		435,042,358	351,766,927
Overdrafts		51,377,183	54,840,537
Demand Loan		11,007,838	16,209,782
Term Loan		151,795,957	269,207,907
		649,223,337	692,025,153
Add: Offshore Banking Unit		1,101,835,887	1,432,437,610
		1,751,059,224	2,124,462,763
18.2 Fees, commission and brokerage			
Fees		-	-
Commission		575,464,261	1,675,096,658
		575,464,261	1,675,096,658
18.3 Administrative expenses			
Salaries and allowances		112,793,300	145,065,454
Rent, taxes, insurance, electricity etc.		48,005,030	53,750,419
Legal expenses		586,386	901,540
Postage, stamps, telecommunication etc.		3,579,654	8,467,277
Stationery, printing, advertisement etc.		6,804,801	18,797,841
Chief Executive's salary & fees		-	-
Directors' fees & expenses		-	-
Auditors' fee		287,500	287,500
Repairs & maintenance of fixed assets		3,494,805	4,257,881
		175,551,477	231,527,912

**19 Interest paid on deposits and borrowing etc.****Interest on deposits**

Recurring Deposit

Short Term Deposit (STD)

Savings

Term

Interest on money at call and short notice

Interest on local bank accounts

Add: Off-Shore Banking Unit

2020 Taka	2019 Taka
10,146,267	10,895,861
1,696,333	8,877,044
18,617,775	16,502,762
306,434,811	311,106,937
336,895,186	347,382,605
(36,601,214)	(133,442,828)
300,293,972	213,939,777
436,071,780	918,572,099
736,365,753	1,132,511,876

20 Investment income

Interest on treasury bonds

Interest (discount) on treasury bills

Dividend income

393,213,156	369,883,870
340,881,959	156,669,780
1,713,542	2,855,903
735,808,657	529,409,553

21 Commission, exchange and brokerage

Commission for Guarantees

Commission for LC negotiation/amendment/advising

Commission for inward & outward remittances

Commission on Visa Processing

Commission for miscellaneous

Foreign exchange earnings

Add: Off-Shore Banking Unit

104,177,662	109,388,125
18,336,352	28,165,055
21,303,592	59,705,781
284,342,505	1,318,313,615
10,423,352	22,323,181
136,880,798	137,200,901
575,464,261	1,675,096,658
11,688,678	5,942,639
587,152,938	1,681,039,297

22 Other operating income

Miscellaneous Income

Add: Off-Shore Banking Unit

2,686,185	4,018,570
-	(28,579)
2,686,185	3,989,991

23 Salaries and allowances

Basic Salary (B.S+H.R+CON)

Salary Casual Staff

Salary Leave Encash & Allowances

Provident Fund

Add: Off-Shore Banking Unit

89,468,537	100,437,070
16,841,533	36,374,874
4,430,762	4,629,930
2,052,469	3,623,581
112,793,300	145,065,454
5,449,500	4,945,392
118,242,800	150,010,846

24 Rent, taxes, insurance, electricity etc.

Rent, rates & taxes

Insurance

Power & electricity

Add: Off-Shore Banking Unit

32,838,592	33,999,027
9,531,765	9,450,814
5,634,673	10,300,577
48,005,030	53,750,419
71,109,713	482,789
119,114,743	54,233,208

25 Postage, stamp, telecommunication etc.

Postage & courier

Telephone-Office

1,061,311	4,404,639
2,518,343	4,062,638
3,579,654	8,467,277



26 Stationery, printing, advertisement etc.

Stationery & Printing
Advertisement Statutory
Advertisement Public Relation & Others

2020 Taka	2019 Taka
6,395,467	18,317,061
409,335	480,780
-	-
6,804,801	18,797,841

27 Auditors' fee

Auditors' Fee (Statutory Audit)

287,500	287,500
287,500	287,500

28 Depreciation on and repairs to bank's assets

A. Depreciation of property plant and equipments

Furniture & fixtures
Office equipments
IT hardware
Right to use of asset (asset under lease)

4,293,115	3,575,834
4,634,337	4,438,649
12,025,757	12,660,254
56,135,978	56,135,978
77,089,187	76,810,715

B. Repairs & maintenance expenses

Transport Maintenance
Equipment Maintenance
Hardware & Software Maintenance
Premises Maintenance

3,494,805	4,257,881
-	-
3,494,805	4,257,881
80,583,992	81,068,596

29 Other expenses

Water Consumption
Traveling expenses
Halting allowance
Finance expense
Consultancy Fees
Computer expenses (including maintenance)
Petrol, Oil and Lubricants
Security
Membership subscription
Entertainment: canteen & other
News paper/Books
Conveyance Allowance
Finacle Expenses
Children Education
Clearing Expenses
Other Allowances
Office Maintenance
Charges Donation
Rentals Car/ Transportation Exp.
Training
Charges (Others)

461,084	933,373
321,535	1,231,527
192,851	467,901
2,824,647	3,776,728
1,471,500	965,000
36,544,088	26,880,490
1,374,805	1,865,687
9,801,483	18,100,126
585,477	188,824
5,961,905	11,838,714
1,948,920	2,138,960
-	-
13,355,621	14,805,114
958,247	854,054
-	-
4,404,741	3,495,912
3,887,053	9,148,321
1,927,201	1,906,812
4,104,389	6,086,708
81,805	138,433
57,822,147	40,802,013
148,029,498	145,624,696
1,494,377	391,783
149,523,876	146,016,479

Add: Off-Shore Banking Unit

30. Provisions

a) Provision on loans & advances

Provision made/ (adjusted) during the year for STD account
Specific Provision made during the year
Specific Provision made during the year (COVID-19)
Recoveries/Provision no longer required

35,229,331	8,007,357
5,256,356	31,254,907
8,399,498	-
-	(78,011,410)
48,885,185	(38,749,146)

**b) Provision for Off Balance Sheet**

Provision on LC & BG

Less: Recoveries/Provision no longer required

c) Total DBU Provision (a+b)**d) Total OBU Provision****e) Grand total (c+d)**

2020 Taka	2019 Taka
19,538,820	2,395,911
-	-
19,538,820	2,395,911
68,424,005	(36,353,235)
41,014,746	88,050,752
109,438,751	51,697,517

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 2020, 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 as at 31.12.2020
SBI, Hongkong Operations	Inter Office	Treasury Transactions	23,733,556,000
State Bank of India, West Germany (FF)	Inter Office	Nostro	28,719,159
State Bank of India, London	Inter Office	Nostro	2,992,995
State Bank of India, New York	Inter Office	Nostro	148,666,336
State Bank of India, Japan	Inter Office	Nostro	1,410,432

32. Receipts from other operating activities

SWIFT Charges

Interest Income from Local Banks

Service & Other Charges from Vostro Account

Add: Off-Shore Banking Unit

2,686,185	4,018,570
-	-
-	-
2,686,185	4,018,570
-	(28,579)
2,686,185	3,989,992

33. Payment for other operating activities

Rent, taxes, insurance, electricity etc.

Legal expenses

Postage, stamps, telecommunication etc.

Stationery, printing, advertisement etc.

Auditors' fee

Charges on loan losses

Depreciation on and repairs to bank's assets

Other expenses

(48,005,030)	(53,750,419)
(586,386)	(901,540)
(3,579,654)	(8,467,277)
(6,804,801)	(18,797,841)
(287,500)	(287,500)
-	-
(80,583,992)	(81,068,596)
(148,029,498)	(127,994,193)
(287,876,862)	(291,267,366)

**State Bank of India
Bangladesh Operations
Domestic Banking Unit
Balance Sheet
As at 31 December 2020**

	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3	4,922,985,830	1,723,536,273
Cash in hand (Including foreign currency)		31,412,683	28,559,218
Balance with Bangladesh bank and its agent bank(s) (Including foreign currency)		4,891,573,147	1,694,977,056
Balance with other Banks and Financial Institutions	4	1,920,433,350	808,660,463
Inside Bangladesh		1,313,727,310	29,503,682
Outside Bangladesh		606,706,040	779,156,780
Money at call and short notice	5	400,000,000	600,000,000
Investments	6	7,710,337,388	9,840,856,792
Government		7,707,198,498	9,837,717,902
Others		3,138,890	3,138,890
Loans and advances	7	7,117,082,336	7,447,333,316
Loans, cash credit, overdrafts etc.		7,117,082,336	7,446,577,459
Bills purchased & discounted		-	755,857
Fixed assets including premises, furniture and fixtures	8	208,934,092	261,959,639
Other assets	9	469,012,562	485,496,473
Non-banking assets	10	-	-
Total Property and Assets		22,748,785,558	21,167,842,956
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	-	-
Deposit and other accounts	12	9,487,054,942	8,534,916,585
Current & other accounts		3,818,872,713	3,253,478,277
Saving deposits		545,344,228	485,053,128
Fixed deposits		4,946,852,037	4,495,913,168
Other deposits		175,985,964	300,472,013
Other liabilities	13	1,543,123,941	1,762,468,657
Total liabilities		11,030,178,883	10,297,385,241
Capital and shareholders' equity		11,718,606,675	10,870,457,714
Fund deposited with Bangladesh Bank	14	7,707,181,998	8,613,826,631
Surplus in profit and loss account/ Retained earnings	15	3,943,599,974	2,168,062,270
Other reserve	16	67,824,703	88,568,814
Total liabilities and shareholders' equity		22,748,785,558	21,167,842,956



Notes	31.12.2020 Taka	31.12.2019 Taka
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OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letter of guarantee
Irrevocable letter of credits
Bills for collection
Other contingent liabilities
Total contingent liabilities

	-	-
17.1	25,624,306,714	27,906,239,274
17.2	2,236,979,973	1,587,225,480
	-	-
	-	-
17	27,861,286,687	29,493,464,755

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

-	-
-	-
-	-
-	-
-	-
-	-
27,861,286,687	29,493,464,755

The annexed notes from 1 to 34 form an integral part of these financial statements.

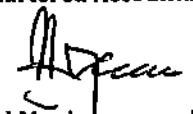

Country Head


Head of Risk Management Department

This is the balance sheet referred to in our separate report of even date.

Dhaka,
18 February 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md Moniruzzaman FCA
Partner
ICAB Enrollment No: 787

DVC No: 210225 0787 A6289781

**State Bank of India
Bangladesh Operation
Domestic Banking Unit
Profit and Loss Account
For the year ended 31 December 2020**

	Notes	31.12.2020 Taka	31.12.2019 Taka
OPERATING INCOME			
Interest income	18.1	649,223,337	692,025,153
Interest paid on deposits and borrowing etc.	19	300,293,972	213,939,777
Net interest income		348,929,365	478,085,376
Investment income	20	735,808,657	529,409,553
Commission, exchange and brokerage	21	575,464,261	1,675,096,658
Other operating income	22	2,686,185	4,018,570
		1,313,959,103	2,208,524,781
Total operating income (a)		1,662,888,467	2,686,610,157
OPERATING EXPENSE			
Salaries and allowances	23	112,793,300	145,065,454
Rent, taxes, insurance, electricity etc.	24	48,005,030	53,750,419
Legal expenses		586,386	901,540
Postage, stamps, telecommunication etc.	25	3,579,654	8,467,277
Stationery, printing, advertisement etc.	26	6,804,801	18,797,841
Chief executive's salary & fees		-	-
Directors' fees & expenses		-	-
Auditors' fee	27	287,500	287,500
Charges on loan losses		-	-
Depreciation on and repairs to bank's assets	28	80,583,992	81,068,596
Other expenses	29	148,029,498	145,624,696
Total operating expenses (b)		400,670,162	453,963,323
Profit before provision (c=(a-b))		1,262,218,305	2,232,646,834
Provision against loans and advances			
Loans and advances		40,485,687	(38,749,146)
Special Provision for COVID -19		8,399,498	-
Off balance sheet items		19,538,820	2,395,911
Total provision (d)	30	68,424,005	(36,353,235)
Profit before taxation (e=c-d)		1,193,794,300	2,269,000,068
Provision for taxation (f)			
Current tax expense	13.5	765,000,000	1,127,000,000
Deferred tax expense	9.1	(14,189,916)	246,610
Total provision for tax		750,810,084	1,127,246,610
Net profit after taxation (g=e-f)		442,984,216	1,141,753,459
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividend etc.		-	-
Retained earnings		442,984,216	1,141,753,459

The annexed notes from 1 to 34 form an integral part of these financial statements.

Country Head

This is the profit and loss account referred to in our separate report of even date.

Dhaka,
18 February 2021

Head of Risk Management Department

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md Moniruzzaman FCA
Partner

ICAB Enrollment No: 787

DVC No: 2102250787A S 289781

**State Bank of India
Bangladesh Operations
Domestic Banking Unit
Statement of Cash Flows
For the year ended 31 December 2020**

	Note	31.12.2020 Taka	31.12.2019 Taka
Cash flows from operating activities			
Interest receipts		1,404,903,095	1,230,017,144
Interest payment		(311,955,029)	(203,466,144)
Dividend received		1,713,542	2,855,903
Fees & commissions receipts		438,583,463	1,537,895,757
Received from loan write off recovery		225,000	41,951,735
Cash payments to employees		(112,793,300)	(145,065,454)
Cash payments to suppliers		(24,469,945)	(21,819,991)
Income tax paid		(1,070,107,126)	(533,699,733)
Receipts from other operating activities	32	2,686,185	4,018,570
Payment for other operating activities	33	(287,876,862)	(291,267,366)
Operating profit/(loss) before changes in operating assets & liabilities (i)		40,909,022	1,621,420,421
Change in operating assets and liabilities			
Loans & advances to customers		330,250,980	(882,870,579)
Other assets		(91,329,216)	501,651,832
Deposits from customers		952,138,357	(46,117,899)
Other liabilities		13,980,446	28,357,358
Cash generated from operating assets and liabilities (ii)		1,205,040,568	(398,979,288)
Net cash flow from operating activities (a)=(i)+(ii)		1,245,949,591	1,222,441,133
Cash flows from investing activities			
Payments for purchase of securities		2,302,088,895	(1,168,729,426)
Investment in prize bond		(6,000)	(3,100)
Purchase/sale of property, plant & equipment		406,304	1,453,842
Net cash flow from/ (used in) investing activities (b)		2,302,489,200	(1,167,278,684)
Cash flow from financing activities			
Receipts from Offshore Banking Unit		425,908,855	-
Net cash used in financing activities (c)		425,908,855	-
Net Increase in cash and cash equivalents (a+b+c)		3,974,347,645	55,162,451
Effects of exchange rate changes on cash & cash equivalent		136,880,799	137,200,901
Cash and cash equivalents at the beginning of year		3,132,207,236	2,939,843,885
Cash and cash equivalents at end of the year (*)	34	7,243,435,680	3,132,207,236
(*) Cash and cash equivalents:			
Cash in hand		4,922,985,830	1,723,536,273
Prize bonds		16,500	10,500
Money at call on short notice		400,000,000	600,000,000
Balance with other banks and financial institutions		1,920,433,350	808,660,463
		7,243,435,680	3,132,207,236

The annexed notes from 1 to 34 form an integral part of these financial statements.

Dhaka,
18 February 2021

Country Head

Head of Risk Management Department

**State Bank of India
Bangladesh Operations
Domestic Banking Unit
Statement of Changes in Equity
For the year ended 31 December 2020**

(Figures in Taka)

Particulars	Fund deposited with Bangladesh Bank	Other Reserve	Retained Earnings	Total Equity
Balance as of 01 January 2020	8,613,826,631	88,568,814	2,168,062,270	10,870,457,715
Net profit for the year (DBU)	-	-	442,984,216	442,984,216
Amortization gain on HTM Securities transferred to P&L	-	(88,568,814)	-	(88,568,814)
Amortization gain on HTM Securities	-	67,824,703	-	67,824,703
Fund utilized which were kept as Capital	(906,644,633)	-	906,644,633	-
Last Year Profit Transferred from OBU Profit & Loss Account	-	-	425,908,855	425,908,855
Balance as of 31 December 2020	7,707,181,998	67,824,703	3,943,599,974	11,718,606,675

Balance as of 01 January 2019	9,208,739,122	41,341,940	22,728,950	9,272,810,011
Net profit for the year (DBU)	-	-	1,141,753,459	1,141,753,459
Amortization gain on HTM Securities transferred to P&L	-	(41,341,940)	-	(41,341,940)
Amortization gain on HTM Securities	-	88,568,815	-	88,568,814
Fund utilized which were kept as Capital	27,822,129	-	(27,822,129)	-
Excess Fund Transferred to Surplus Profit & Loss Account	(622,734,620)	-	622,734,620	-
Last Year Profit Transferred from OBU Profit & Loss Account	-	-	408,667,370	408,667,370
Balance as of 31 December 2019	8,613,826,631	88,568,814	2,168,062,270	10,870,457,714

Dhaka,
18 February 2021


Country Head


Head of Risk Management Department

State Bank of India
Bangladesh Operations
Domestic Banking Unit
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
For the year ended 31 December 2020

(Figures in Taka)

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
ASSETS						
Cash in hand	31,412,683	-	-	-	-	31,412,683
Balance with Bangladesh Bank	4,891,573,147	-	-	-	-	4,891,573,147
Balance with other bank, Other Banks and financial Institutions (Including foreign currencies)	1,920,433,350	-	-	-	-	1,920,433,350
Money at call and on short notice	400,000,000	-	-	-	-	400,000,000
Investments	16,500	-	3,958,823,520	1,154,523,563	2,596,973,806	7,710,337,388
Loans and advances	4,578,623,445	6,947,126	1,767,173,229	699,863,282	64,475,254	7,117,082,336
Fixed assets including premises, furniture & fixtures	-	-	-	-	208,934,092	208,934,092
Other assets	-	-	-	-	469,012,562	469,012,562
Non - banking assets	-	-	-	-	-	-
Total Assets	11,822,059,125	6,947,126	5,725,996,749	1,854,386,845	3,339,395,713	22,748,785,558
LIABILITIES						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	-	-	-	-	-	-
Convertible subordinated debts	-	-	-	-	-	-
Money at call and on short notice	-	-	-	-	-	-
Deposits & other accounts	3,071,313,570	1,135,889,974	3,673,551,506	1,606,299,892	-	9,487,054,942
Provision & Other Liabilities	1,543,123,941	-	-	-	-	1,543,123,941
Total liabilities	4,614,437,511	1,135,889,974	3,673,551,506	1,606,299,892	-	11,030,178,883
Amount of net liquidity difference	7,207,621,614	(1,128,942,848)	2,052,445,242	248,086,953	3,339,395,713	11,718,606,675

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

Dhaka,
18 February 2021


Country Head


Head of Risk Management Department

**State Bank of India
 Bangladesh Operations
 Domestic Banking Unit
 Notes to Financial Statements
 For the year ended 31 December 2020**

1. Corporate information

The State Bank of India was 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 three branches – One in Dhaka, One in Chittagong, and Other in Khulna. SBI Bd. Operation has one banking booth in Motijheel area. Apart from these branches and booth, 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 maintains capital in the form of deposit and lien of securities with Bangladesh Bank under section 13(3) of the Bank Companies Act, 1991 and these are presented as per 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 Account, 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 Companies Act 1991(amended 2013), as amended by BRPD circular no. 14 dated 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 IFRS 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 recognized 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 presentational currency.

ii. Foreign currency transaction

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

Assets and liabilities in foreign currencies at 31st December 2020 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 @ 40% 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 recognized 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 recognized in the Profit and Loss Accounts as per IAS 12 "Income Taxes".

2.6 Assets and basis of their valuation**2.6.1 Cash and cash equivalents**

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

2.6.2 Investments

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

2.6.2.1 Held to maturity (HTM)

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

Value of Investments has been shown as under:

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

2.6.2 Loans and advances

- Interest on loans and advances is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per directives of Bangladesh Bank and such interest is not accounted for as income until realized from borrowers.
- Interest is not charged on bad and doubtful loans and advances from the date of filing money suits against the borrowers.



- (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, BRPD(P-1)661/13/2021-117 dated 05 January 2021 respectively at the following rates:

(i) General provision on unclassified loans and advances

Particulars	Rate (%)
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 business	2%
Standard Consumers loan Scheme other than HF and LP	5%
Standard Short term Agri and Micro credit	1%
Special Mention Account general Loans and advances	1%
Special mention account Small & Medium enterprise Financing	0.25%
Special mention account loans to BHs/MBs/SDs	2%
Special mention account HF and LP	2%
Special mention account Consumer's loan scheme other than HF & LP	1%
Special provision COVID-19	1%

(ii) Specific provision on classified loans and advances

Particulars	Rate (%)
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 Mumbal. 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 value method at the following rates. Depreciation will be charged from the date when the assets are ready to use for commercial operation as per IAS 16 Property, plant and equipment.
- (iii) No depreciation is charged in the year of disposal.

Category of assets	Depreciation Rate
Furniture & fixture	10%
Office equipment	25%
Computer	25%

**c) Sale of fixed assets**

Sale price of fixed assets is 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 IAS 16 *Property, Plant & Equipment*.

d) Leases

In according to IFRS 16 *Leases*, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement the bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the incremental borrowing rate.

e) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expenses in the Profit & Loss Account.

f) 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 in the

2.6.4 Other Assets

Other assets include all other financial assets and interest, fees and other unrealized 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.

The amount of forfeited provident fund was transferred from SBI employee's provident fund to SBI, Bangladesh Operation during the year.

b) Gratuity

The bank has a gratuity scheme, which covers all of its permanent employees. The gratuity is payable equivalent to 01-02 months' last drawn basic salary for each completed year of service (ranging between a maximum of 15-30 lacs) depending on the number of years of service with the bank (minimum 8 years).

c) Workers Profit Participation Fund

Consistent with widely accepted industry practice and in line with section 11(1) of the Banking Companies Act, 1991 (as amended upto date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).



2.8 Revenue recognition

The revenue during the year is recognized as follows which satisfy all conditions of revenue recognition as prescribed by IFRS 15 "Revenue from Contracts with Customers".

- (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 Interest Income recognition as per Bangladesh Bank's BRPD circular no. 13, 17 & 56, 15 June, 28 September and 10 December 2020 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 IAS-7 "Statement of Cash Flows" 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 IAS-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 six 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 Country Head Office are the members and the Division Head (SAVP- Risk & Compliance) 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 Committee is being 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 of the bank is in place before the senior Management in which analytical & exhaustive information are highlighted. Yearly summary report on the audit findings are also being placed before the Audit committee of the Local Management for mentioning & highlighting different incidences and the decisions are implemented by the Bank. As a part of risk management, adequate capital is being maintained against Credit Risk, Market Risk, Operational and other Risks under Basel-III accord. Under the second pillar of Basel, a Supervisory Review Process (SRP) team has been formed 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.

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 2020, 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) Money Laundering

Money laundering has been identified as a major threat to the financial services community, It is important that the management of Banks 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 branch compliance officers at branches to reimplement the anti money laundering initiatives of the bank. A dedicated Anti-Money Laundering department has been formed at Country Head Office level including Central Compliance Unit (CCU).

To strengthen the process, SBI since introduced automated software's in different areas of banking operations. Forecheck OFAC has been introduced for checking sanction list, AMLOCK has been introduced for transaction monitoring. ACUITY has been introduced for monitoring trade based money laundering. All staff members are covered with AML training.

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 Head of ICCD. ICCD comprising of following three units to manage the ICC risks:-

- 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 regulatory 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 management, operating environment procedures management. The objective is to achieve the highest levels of technology service quality by minimum operational risk.

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 4 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 form 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 2020, we conducted 15 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.

Impact of COVID-19

On 11 March 2020 the World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease, commonly known as COVID-19. To contain the spread of this disease, along with many other countries of the world, the Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing, etc. As a result of these measures, all business and economic activities in the country have been adversely affected and this has also affected the Company. Although the business operation and profitability of the Bank have been impacted by COVID-19, but due to the constantly changing nature of the situation and lack of certainty at present regarding how long this situation will prevail, the potential impact of COVID-19 related matters on the Bank operation and financial results cannot be reasonably assessed. The Management of the Bank assessed the going concern and found no uncertainty regarding this for the upcoming 12 months due to COVID-19. Most impacted areas in Operation of the Bank for COVID-19 are given below:



Particulars	31.12.2020 Taka	31.12.2019 Taka
Net interest income	1,014,693,472	991,950,887
Investment income	735,808,657	529,409,553
Commission, exchange and brokerage	587,152,938	1,681,039,297
Other operating income	2,686,185	3,989,991
Total operating income (a)	2,340,341,252	3,206,389,728
Total operating expenses (b)	478,723,752	459,783,287
Profit before provision (c = (a-b))	1,861,617,500	2,746,606,441

2.14 Disclosure on fraud and forgeries committed by bank employees:

No incidents of 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 IAS 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 2020 to 31 December 2020.

2.19 Number of employees

The number of employees employed in the Bank as on 31 December 2020 was 97, of which 78 were male and 19 were female. The number of employees per branch was 18.20 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 IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.21 Events after reporting period

In terms of provision of IAS 10 "Events after Reporting Period" no material events have occurred after balance sheet date which could affect the values reported in the financial statements.

2.22 BASEL III implementation

The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as 'Basel III'. 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 III 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 III in Bangladesh. As per the Committee decision BASEL III has been fully implemented in Bangladesh. The Committee has indicated that following methodology of BASEL III would be followed in Bangladesh:

- Standardized method for credit and market risk.
- Basic indicator approach for operational risk.
- 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 III 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 III implementation team and is providing training to senior management, credit officers and managers of the Bank. BASEL III 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 2020, the training institute of the Bank has arranged a total of 22 training courses, seminars and workshops mostly conducted by the internal & External resource persons with 102 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 Senior Management of State Bank of India, Bangladesh Operation. Subsequently, one of the member has retired from the bank on 31 December 2020 and reconstituted the Audit Committee is under process the earlier committee is as under:

Name	Status in the Bank	Status in the Committee	Educational Qualification
Mr. Deepak Sisodiya	HRMD	Chairman	B. SC, CAIIB, MBA, CFP
Mr. Deba Prasad Das	VP Ops	Member	B. SC.
Mr. Mohammad Masudul Amin	SAVP (R&C)	Member Secretary	MBA, MBM, DAIBB
Mr. Protim Kumar Mallick	AVP IT	Member	BSC Eng, MBA
Mr. Maksudur Rahman	AVP(A&T)	Member	MBA (Finance), MPA(DU), ITP, ACGA
Mr. Sanjit Chandra Lodh	FAVP	Member	B. SC.
Mr. Idrisur Rahman	JM ICC	Member	MBA Management

During the year, the Audit Committee of the Board conducted 4 (Four) meetings in which among others, the following issues were discussed:

Facts

- Discuss the Comprehensive Inspection report of Bangladesh Bank of Bangladesh Operations.
- Discuss the audit report of different Country Office departments and Branches conducted by the Bank's internal audit team from time to time.
- Discuss the fraud/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.
- Reviewing the Anti money laundering policy of the Bank.

2.25 Credit Rating of the Bank

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

Sl. #	Year	Rating Agencies	Long Term	Short Term
1	Jan to Dec 2020	ALPHA	-	-
2	Jan to Dec 2019	ALPHA	AAA	AR-2
3	Jan to Dec 2018	ALPHA	AAA	AR-2
4	Jan to Dec 2017	ALPHA	AA	AR-2
5	Jan to Dec 2016	ALPHA	AA	AR-2
6	Jan to Dec 2015	ALPHA	AA	AR-2
7	Jan to Dec 2014	ALPHA	AA-	AR-2
8	Jan to Dec 2013	ALPHA	AA-	ST-2
9	Jan to Dec 2012	CRISL	AA+	ST-2
10	Jan to Dec 2011	CRISL	AA	ST-2

2.26 Statement of compliance

The financial statements of the Bank are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Regulation of Bangladesh Investment Development Authority (BIDA), the rules and regulations issued by Bangladesh Bank. In case any requirement of the provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:



i) Investment in shares and securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 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 recognized at cost.

ii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gain on revaluation of securities which have not matured as at the balance sheet date are recognized 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 amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

iii) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular No.14 (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 IFRS 9.

iv) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized 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 recognized 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

IFRS: As per IAS 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 categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.

vii) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 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 under cash and cash equivalents. Money at call and on short notice is presented on the face of the balance sheet, and treasury bills, prize bonds are shown under investments.

viii) Non-banking asset

IFRS: No guidance for Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14, Non banking assets have been presented separately on face of financial statements.

ix) Cash flow statement

IFRS: 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)

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

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

xi) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

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

xii) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; 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

IFRS: 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.

xlii) Lease Assets

IFRS: Where property, plant and equipment have been financed by lease arrangement under which substantially all the risks and rewards of obligation are transferred to the lessees are treated as per IFRS 16.

Compliance: SBI recognized the IFRS 16 from 2019.

2.37

Compliance Status with IFRS and IAS

Sl. #	International Accounting Standards (IASs)	Reference	Status
1	Presentation of Financial Statements	IAS 1	Complied with BB
2	Statement of Cash Flows	IAS 7	Complied with BB guidelines
3	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Complied
4	Events after the Reporting Period	IAS 10	Complied
5	Income Taxes	IAS 12	Complied
6	Property, Plant and Equipment	IAS 16	Complied
7	Employee Benefits	IAS 19	Complied
8	The Effects of Changes in Foreign Exchange Rates	IAS 21	Complied
9	Borrowing Costs	IAS 23	Complied
10	Related Party Disclosures	IAS 24	Complied
12	Impairment of Assets	IAS 36	Complied
13	Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Complied



Sl. #	International Financial Reporting Standard (IFRS)	Reference	Status
1	Financial Instruments: Disclosures	IFRS 7	Complied
2	Fair Value Measurement	IFRS 13	Complied
3	Revenue from Contracts with Customers	IFRS 15	Complied
4	Leases	IFRS 16	Complied

2.28 Claim not acknowledged as debt

There was no claim against the bank not acknowledged as debt as on 31 December 2020.

2.29 Remuneration of CEO

State Bank of India, Bangladesh Operations don't bear the remuneration of CEO. The salary is provided by State Bank of India, Head office and remitted to Bangladesh through International Banking Group (IBG). The tax on his salary is been settled in Bangladesh as per Income Tax Rule and Regulation in Bangladesh.

2.30 Approval of financial statements

The financial statements were reviewed and subsequently approved by the Audit Committee Meeting on 18 February 2021.

2.31 General

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.

Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka. Because of the effects of rounding off, the totals in some instances, may not match the sum of individual balances.

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



		31.12.2020 Taka	31.12.2019 Taka
3 Cash			
3.1 Cash in hand			
Local currency		21,285,599	23,730,038
Foreign currency		7,200,184	3,023,080
ATM cash balance		2,926,900	1,806,100
		31,412,683	28,559,218
3.2 Balance with Bangladesh bank and its agent bank(s)			
Local currency	(Note: 3.2a)	3,738,080,545	672,010,010
Foreign currency	(Note: 3.2b)	1,153,492,603	1,022,967,045
		4,891,573,147	1,694,977,056
Sonali Bank as agent of Bangladesh Bank (local currency)		-	-
		4,922,985,830	1,723,536,273
3.2a Local currency			
Lien with Bangladesh Bank		-	-
Free Balance with Bangladesh Bank		3,738,080,545	672,010,010
		3,738,080,545	672,010,010
3.2b Foreign Currency			
Lien with Bangladesh Bank		-	-
Free Balance with Bangladesh Bank		1,153,492,603	1,022,967,045
		1,153,492,603	1,022,967,045
3.3 Statutory deposits			
<p>The Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) are maintained in accordance with the section 25 and 33 of the Bank Companies Act 1991 (Amended 2013) and subsequent BRPD Circular No. 11 & 12 dated 25 August 2005, MPD circular no. 02 dated 10 December 2013, MPD circular No. 01 dated 23 June 2014 & DOS Circular Letter No. 23 dated. 07.10.2018, MPD circular No. 03 dated 9 April 2020. Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) and deposits there against with Bangladesh Bank at 31 December 2020 are as follows:</p> <p>The Cash Reserve Requirement on the Bank's Time and Demand liabilities at the rate of 4.0% (Bi-weekly) & 3.5% (on Daily) basis has been calculated and maintained with Bangladesh Bank and 13% Statutory Liquidity Ratio for conventional banking on the same liabilities has also been maintained in the form of Treasury Bills, and Bonds including FC balance with Bangladesh Bank. The status of the reserves maintained by the Bank are shown below:</p>			
3.3.1 Cash Reserve Requirement (CRR)			
i. Daily Bank's CRR maintenance			
Required reserve DBU & OBU (5% of total time & demand liabilities)		316,786,000	1,447,062,000
Actual reserve maintained		3,778,046,193	1,601,768,000
Surplus/(deficit)		3,461,260,193	154,706,000
Maintained (%)		11.74%	5.53%
ii. Bi- Weekly bank's CRR maintenance			
Required reserve DBU & OBU (5.50% of total time & demand liabilities)		362,041,000	1,591,768,000
Actual reserve maintained		3,778,046,193	1,601,768,000
Surplus/(deficit)		3,416,005,193	10,000,000
Maintained (%)		11.74%	5.53%
3.3.2 Statutory Liquidity Reserve (SLR)			
Required reserve DBU & OBU (13% of total time & demand liabilities)		1,176,634,000	3,762,361,000
Actual reserve maintained		10,628,695,920	9,801,292,530
Surplus/(deficit)		9,452,061,920	6,038,931,530
Maintained (%)		33.00%	295.28%

4. Balance with other banks and financial institutions

		31.12.2020 Taka	31.12.2019 Taka
Inside Bangladesh	(Note: 4.1)	1,313,727,310	29,503,682
Outside Bangladesh	(Note: 4.2)	606,706,040	779,156,780
		1,920,433,350	808,660,463

Details of balance held with banks and financial institutions outside Bangladesh are shown in Annexure-A.

4.1 Balance with other banks and financial institutions (Inside Bangladesh)

a) On demand deposit accounts (Current Account)

Uttara Bank Limited	5,921,770	1,206,903
Bangladesh Bank-NPSB Settlement A/C	3,523,046	3,523,046
Standard Chartered Bank-ATM Visa Domestic Settlement A/C	1,457,343	8,935,697
Sonali Bank Limited	69,972	69,972
	10,972,131	13,735,617

On Short Term Deposit (STD) Accounts

Uttara Bank Limited	1,962,607	9,768,152
Standard Bank Ltd. Gulshan Branch	792,573	5,999,914
	2,755,179	15,768,065
	13,727,310	29,503,682

b) Term Placement

Banking company

Dhaka Bank Limited (Term)	500,000,000	-
Southeast Bank Limited (Term)	300,000,000	-
NCC Bank Limited (Term)	500,000,000	-
	1,300,000,000	-
	1,313,727,310	29,503,682

Sl. #	Bank/Financial Institute Name	Placement Amount	Placement Date	Maturity Date	ROI
01	Dhaka Bank Limited (Term)	500,000,000	14/12/20	14/01/21	1.75%
02	Southeast Bank Limited (Term)	300,000,000	07/12/20	03/01/21	3.00%
03	NCC Bank Limited (Term)	500,000,000	22/12/20	21/01/21	2.20%
		1,300,000,000			

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)	28,719,159	19,016,900
State Bank of India, London	2,992,995	1,914,362
State Bank of India, New York	148,666,336	229,440,109
State Bank of India, Japan	1,410,432	3,600,206
	181,788,921	253,971,577

On demand deposit accounts (Interest bearing)

JP Morgan Chase Bank	385,641,917	297,839,076
ACU Dollar Nostro A/C	39,275,202	227,346,128
	424,917,119	525,185,204
	606,706,040	779,156,780

4.2.1 Foreign currency wise break-up

Currency name	Amount in FC	Conversion Rate	31.12.2020 Taka	31.12.2019 Taka
US Dollar	6,794,000	84.4250	573,583,455	754,625,312
Great Britain Pound	26,174	114.3517	2,992,995	1,914,362
EURO	276,796	103.7557	28,719,159	19,016,900
Japanese Yen	1,721,088	0.8195	1,410,432	3,600,206
			606,706,040	779,156,780

4.3 Maturity grouping balance with other banks (Outside Bangladesh)

Up to 1 month
More than 1 month but less than 3 month
More than 3 month but less than 1 Year
More than 1 year but less than 5 years
More than 5 years

31.12.2020 Taka	31.12.2019 Taka
606,706,040	779,156,780
-	-
-	-
-	-
-	-
606,706,040	779,156,780

5. Money at call and short notice

Banking company
National Bank Ltd
Jamuna Bank Ltd
The City Bank Limited

400,000,000	150,000,000
-	250,000,000
-	200,000,000
400,000,000	600,000,000

5.1 Maturity grouping of money at call and short notice

Up to 1 month
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

400,000,000	600,000,000
-	-
-	-
-	-
-	-
400,000,000	600,000,000

6. Investments

Government Securities
Other Investments

(Note: 6.1)
(Note: 6.2)

7,707,198,498	9,837,717,902
3,138,890	3,138,890
7,710,337,388	9,840,856,792
-	-
7,710,337,388	9,840,856,792

Off-shore Banking Unit

Investment in securities are classified as follows:

Held to maturity
Other Investments

7,707,198,498	9,837,717,902
3,138,890	3,138,890
7,710,337,388	9,840,856,792

Treasury bills and treasury bonds has been pledged with Bangladesh Bank for Capital & SLR Purpose. Details of investments are given in Annexure-F.

6.1 Government securities

Treasury bills

30 day Treasury bills
91 day Treasury bills
182 day Treasury bills
364 day treasury bills

-	-
-	-
1,165,066,615	1,849,397,095
2,793,756,904	3,272,583,366
3,958,823,520	5,121,980,461

Treasury bonds

2 year Treasury Bonds
5 year Treasury Bonds
10 year Treasury Bonds
15 year Treasury Bonds
20 year Treasury Bonds

1,154,523,563	1,159,475,097
-	105,800,000
861,397,445	1,717,167,566
720,167,709	721,375,260
1,012,269,762	1,011,909,018
3,748,358,479	4,715,726,941
16,500	10,500
7,707,198,498	9,837,717,902

Prize bonds



6.2 Other investments

Quoted
Unquoted : Shares of Central Depository Bangladesh Limited (CDBL)

31.12.2020 Taka	31.12.2019 Taka
-	-
3,138,890	3,138,890
3,138,890	3,138,890

Particulars	No of Shares	31.12.2020 Taka	31.12.2019 Taka
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 (Other than CDBL Shares)

Payable on demand
Below three months
Over three months but below one year
Over one year but below five years
Over five years

16,500	10,500
-	-
3,958,823,520	5,121,980,461
1,154,523,563	1,159,475,097
2,593,834,916	3,556,262,344
7,707,198,498	9,837,728,402

7. Loans and advances

a. Loans, Cash Credits, Overdrafts etc.:

Overdrafts
Demand loans
Cash credit
House building loan
Transport loan
Term loans (Other)
Loan against trust receipts(cash credit)
Agricultural loan(cash credit)
Staff loans

(Note - 7.6)

556,560,561	637,538,530
1,709,986,511	1,564,927,525
3,841,119,607	4,325,730,167
35,729,826	55,300,495
564,469,386	280,830,631
135,393,896	228,773,146
63,316,864	160,910,947
168,795,000	150,000,000
41,710,685	42,566,018
7,117,082,336	7,446,577,459

b. Bills purchase & discount Total: (a+b)

(Note - 7.15)

-	755,857
7,117,082,336	7,447,333,316

7.1 Net loans and advances

Gross loans and advances
Less: Interest suspense
Provision for loans & advances(Specific provision)

7,117,082,336	7,447,333,316
12,680,576	4,444,745
90,932,340	86,655,038
103,612,916	91,099,783
7,013,469,420	7,356,233,534

7.2 Maturity wise grouping of loans and advances

Repayable on demand
More than 1 months to 3 months
More than 3 months to 1 Year
More than 1 year to 5 years
More than 5 years

4,578,623,445	663,982,024
6,947,126	1,434,995,836
1,767,173,229	1,541,742,394
699,863,282	1,761,832,880
64,475,254	2,044,780,182
7,117,082,336	7,447,333,316

7.3 Loans and advances under the following broad categories

Inside Bangladesh

Term Loans
Cash Credits
Overdrafts & Demand Loan & Agriculture Loan
Staff Loan
Bills purchase & discount

735,593,108	564,904,272
3,904,436,471	4,486,641,115
2,435,342,072	2,352,466,055
41,710,685.35	42,566,017.98
-	755,857.02
7,117,082,336	7,447,333,316

Outside Bangladesh

Term Loans

Cash credits

Overdrafts

31.12.2020 Taka	31.12.2019 Taka
-	-
-	-
-	-
-	-
7,117,082,336	7,447,333,316

7.4 Geographical location wise portfolio grouping
Inside Bangladesh

Dhaka Division

Chittagong Division

Khulna Division

5,454,510,440	5,593,691,804
1,635,748,374	1,825,555,413
26,823,523	28,086,100
7,117,082,336	7,447,333,316

All 3 (three) of our branches are located in urban areas. However, as we have obtained approval to open new branches in Bangladesh, we shall increase our loans and advances portfolio in rural areas of the country as well.

7.5 Significant concentration wise grouping
Staff

Managing Director & CEO

Senior Executives

Others

-	-
10,892,494	11,205,787
30,818,191	31,360,231
41,710,685	42,566,018

Industries

i) Agricultural and Jute

ii) Readymade garments

iii) Textile

iv) Food & allied

v) Chemical

vi) Cement

vii) Rubber, Plastic, Printing Publishing & allied Industries

viii) Metal Products & Steel

ix) Household

x) IT based

xi) Other

168,795,000	150,000,000
24,590,919	24,578,844
39,319,460	51,513,350
182,066,622	238,042,718
37,143,146	30,327,391
225,037,756	322,637,563
30,854,517	18,559,005
773,180,824	846,525,660
-	-
367,257,217	367,680,773
2,986,381,179	3,600,562,724
4,834,626,641	5,650,428,027

Infrastructural

i) Power

ii) Construction

iii) Transport

iv) Feed / Trade & Commerce

v) Others

-	-
197,947,052	183,066,188
1,008,834,109	468,353,766
215,700,818	167,525,636
-	-
1,422,481,980	818,945,590

Consumers

i) Commercial lending

ii) Household

iii) House building loan

iv) Small and medium enterprise

v) Non-banking financial institutions

vi) Others

-	-
10,506,677	9,309,303
35,729,826	55,300,495
625,132,555	768,586,937
47,186,336	43,617,110
99,707,638	58,579,837
818,263,031	935,393,682
7,117,082,336	7,447,333,316

7.6 Staff loan

Overdraft Loan (Interest Bearing)

Overdraft Loan (Interest Free)

Car and motorcycle loan

House building Loan

11,403,244	11,426,826
816,980	714,798
-	-
29,490,462	30,424,394
41,710,685	42,566,018



31.12.2020	31.12.2019
Taka	Taka

7.7 Detail of large loan

Total capital of the Bank was Taka 12,284.72 million for BD. Operations as at 31 December 2020 (Taka 11,296.37 million at 31 December 2019 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**.

7.7.1 Restructured loan

There is no restructured loan during the year 2020 and 2019.

7.8 Grouping as per classification rules

Unclassified

Standard including staff loan
Special Mention Account (SMA)

6,989,354,375	7,317,822,353
-	-
6,989,354,375	7,317,822,353

Classified

Sub standard
Doubtful
Bad / Loss

47,186,336	43,617,110
-	-
80,541,626	85,893,854
127,727,961	129,510,963
7,117,082,336	7,447,333,316

7.9 Loan type wise total loan

Overdraft
Demand Loan
Term Loan
Cash Credit
Staff Loan

556,560,561	787,538,530
1,709,986,511	1,565,683,382
735,593,108	564,904,272
4,073,231,471	4,486,641,115
41,710,685	42,566,018
7,117,082,336	7,447,333,316

7.10 Sector-wise allocation of loans and advances

Agriculture, fishing, forestry and dairy firm
Industry (jute, textile, garments, chemicals, cements etc.)
Transport Operator Loan
Working capital financing
Export credit
Commercial credit
Small and cottage industries
Miscellaneous

168,795,000	150,000,000
145,890,304	203,685,912
1,008,834,109	468,353,766
5,422,466,783	5,973,802,478
-	-
-	-
183,441,314	274,501,154
187,654,826	376,990,005
7,117,082,336	7,447,333,316

7.11 Securities wise classification of loans/advances including bills purchase and discount

Collateral of moveable/immoveable assets
Nonbanking financial institutions guarantee
Local banks/foreign banks guarantee
Export documents
Cash and quasi cash
Personal guarantee
Other securities

4,584,813,206	4,981,486,479
47,186,336	43,617,110
354,816,155	365,207,719
-	-
108,189,190	113,904,942
338,481	1,407,314
2,021,738,970	1,941,709,753
7,117,082,336	7,447,333,316

31.12.2020 Taka	31.12.2019 Taka
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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 2020	Required provision December 2019
All unclassified loans (Other than Small & Medium enterprise financing, Consumer financing, BHs/MBs/SDs, Housing & loans for professional)	4,566,381,544	45,663,815	1%	51,618,375	60,196,354
Small & Medium enterprise financing	2,170,873,792	5,427,184	0.25%	7,693,262	2,605,663
Housing & loan for professional	35,659,445	356,594	1%	497,881	540,464
Consumer finance	5,933,909	118,678	5%	156,253	465,465
Special Mentioned Account	-	-	0%	-	-
Short-term Agriculture Loan	168,795,000	1,687,950	1.0%	1,687,950	1,500,000
Staff Loan	41,710,685	-	0%	-	-
Total	6,989,354,375	53,254,223		61,653,721	65,307,946

Specific provision (COVID-2019)

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2020	Required provision December 2019
Standard Loan (for deferral benefits)	839,949,827	839,949,827	1%	8,399,498	-

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

Name of Exposure	Outstanding	Rate (%)	Required provision December 2020	Required provision December 2019
Acceptances and endorsements	-	1%	-	-
Letter of guarantees	25,624,306,714	Basel	190,745,705	206,955,655
Irrevocable letter of credits	2,236,979,973	1%	22,369,800	15,872,255
Total	27,861,286,687		213,115,505	222,827,910

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

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

Excess/(Short) provision at 31 December 2020

283,168,724	288,135,856
351,997,271	288,829,622
68,828,547	693,766

Provision required for classified loans & advances (Specific provision)

Status	Outstanding	Base for provision	Rate	Required provision December 2020	Required provision December 2019
Sub-standard	47,186,336	41,131,315	20%	8,226,263	8,226,263
Doubtful	-	-	50%	-	-
Bad/Loss	80,541,626	21,232,801	100%	21,232,801	23,749,781
Total	127,727,961	62,364,116		29,459,064	31,976,044

Total provision maintained for classified assets:

Sub Standard

Doubtful

Bad/loss

47,186,336	10,904,277
-	-
43,746,005	75,750,760
90,932,340	86,655,038
61,473,277	54,678,993

Excess/(Short) of provision

7.13 Particulars of loans and advances

- i) Debts considered good in respect of which Bank is fully secured
- ii) Debts considered good for which Bank holds no other security than the debtor's personal security
- iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors
- iv) Debts adversely classified; for which no provision is created

31.12.2020 Taka	31.12.2019 Taka
94,372,566	110,230,890
341,991	1,407,314
7,022,367,780	7,334,939,255
-	-
7,117,082,337	7,446,577,459

- 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
 - b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet
 - c) Interest creditable to the Interest Suspense a/c
- 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 (After recovery of Taka 225,000)
- xii) The amount of written off loans for which law suit filed

-	-
-	-
-	-
-	-
-	-
90,932,340	75,750,760
12,680,576	4,444,745
-	-
1,254,053	58,169,953
1,224,007,045	1,164,808,040
1,224,007,045	1,222,977,992

7.14 Suit filed by the bank (branch wise)

Dhaka Region
Chittagong Region

539,386,114	557,679,537
684,620,931	701,323,269
1,224,007,045	1,259,002,806

7.15 Bill Purchased & discounted under the following

Inside Bangladesh
Outside Bangladesh

-	755,857
-	-
-	755,857

7.16 Maturity wise grouping of bill purchased & discounted

Payable within 1 month
Over 1 month but less than 3 months
Over 3 months but less than 6 months
6 months and more

-	-
-	755,857
-	-
-	-
-	755,857



7.17 Write off of loans & advances

Balance at the beginning of the year
Add: Write off during the year

Less: Recovery of Write off loans

Details are given in Annexure-G

31.12.2020 Taka	31.12.2019 Taka
1,222,977,992	1,206,759,776
1,254,053	58,169,953
1,224,232,045	1,264,929,727
225,000	41,951,735
<u>1,224,007,045</u>	<u>1,222,977,992</u>

7.18 Cash Incentive for Good Borrower

Recently, Bangladesh Bank has discontinued the Cash Incentive for Good Borrower vide letter no. BRPD - 14, dated. 18th June 2020.

7.18 Provision for other Assets

Maturity of other asset within one year. So there are not required charge any provision.

8. Fixed assets including premises, furniture and fixtures

A. Cost

Opening balance
Add: Adjustment for implementation of IFRS-16 (asset under right to use)
Adjusted opening balance
Add: Addition during the year

Less: Disposal/adjustment during the year

510,002,196	259,130,101
-	230,505,946
510,002,196	489,636,047
24,469,945	21,819,991
<u>534,472,141</u>	<u>511,456,038</u>
2,010,181	1,453,842
<u>532,461,960</u>	<u>510,002,196</u>

B. Accumulated Depreciation

Opening balance
Add: Charged during the year

Less: Disposal/adjustment during the year

248,042,558	171,231,843
77,089,187	76,810,715
325,131,745	248,042,558
1,603,876	-
<u>323,527,868</u>	<u>248,042,558</u>
<u>208,934,092</u>	<u>261,959,639</u>

Written down value (A-B)

A schedule of Fixed Assets is given in Annexure C.

The Bank adopted IFRS 16: *Leases* from the year under reporting and Adjustment for implementation of IFRS-16 (asset under right to use) represents impact of such implementation regarding assets under right to use (asset under lease.)

9. Other assets

Income generating other assets

Interest receivable on treasury bond
Dividend receivable From CDBL
Interest receivable on Inter Bank Call Money

55,968,416	74,365,559
-	2,855,903
1,540,278	158,333
<u>57,508,694</u>	<u>77,379,795</u>

Non-income generating other assets

Stationery, stamps, printing materials etc.
Advance rent and advertisement
Memento Coin
Deferred Expenses
Deferred tax asset
Excise duty
Inter Branch lending (FC)
Advance Payment of Income Tax
ISO Reconciliation
Miscellaneous Assets
Receivables from OBU

(Note 9.1)

14,213,618	19,382,696
41,190,419	9,723,446
24,500	24,500
-	-
16,090,678	1,900,762
4,405,505	241,445
-	-
335,227,847	376,843,830
24,530	-
326,771	-
-	-
<u>411,503,869</u>	<u>408,116,678</u>
<u>469,012,562</u>	<u>485,496,473</u>

	31.12.2020 Taka	31.12.2019 Taka
Maturity Grouping of other Assets		
Less than 1 (one) year	427,822,143	475,773,028
Within 1 (one) year	41,190,419	9,723,446
More than 1 Year		
	469,012,562	485,496,473

9.1 Deferred tax 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 International Accounting Standard (IAS) 12.

Deferred tax Asset on Fixed Assets	(Note 9.1.1)	1,632,224	1,900,762
Deferred tax assets on Right of Use (ROU) Assets	(Note 9.1.2)	14,458,454	-
		16,090,678	1,900,762

9.1.1 Deferred tax Asset on Fixed Assets

Opening balance	1,900,762	2,147,371
Less: Deferred Tax Expense during the year	268,538	246,609
	1,632,224	1,900,762

9.1.2 Deferred tax assets on Right of Use (ROU) Assets

Particulars	Accounting Base	Tax Base	Temporary Difference
Right of Use (ROU) Assets	118,233,990	-	118,233,990
Lease Liability	(154,380,125)	-	(154,380,125)
	(36,146,135)	-	(36,146,135)
Tax rate			40%
Deferred tax liabilities as at 31 December 2020			(14,458,454)
Deferred tax assets as at 31 December 2020			(14,458,454)
Deferred tax assets as at 31 December 2019			-
Deferred tax income for the year 2020			(14,458,454)

9.2 Advance Payment of Income Tax

Balance at the beginning of the year	376,843,830	306,088,017
Add: Addition during the year	1,028,491,144	836,489,899
	1,405,334,974	1,142,577,915
Less: Paid during the year	1,070,107,126	765,734,086
	335,227,847	376,843,830

10. Non-banking assets

No non-banking assets acquired against those claims are under the possession of the bank. State Bank of India, Bangladesh Operations has not acquired any such assets as on 31 December 2020.

11. Borrowings from other banks, financial institutions & agents

12. Deposit and other accounts

Local currency		
Current & other accounts	2,312,094,763	1,499,391,742
Bills payable	82,759,563	113,076,336
Saving deposits	545,344,228	485,053,128
Fixed deposits	4,946,852,037	4,495,913,168
Short term deposit	91,849,860	186,008,109
Other deposits (Loan Account Credit Balance)	140,559	151,586
	7,979,041,010	6,779,594,068
Foreign currency		
Current & other accounts	1,506,777,950	1,754,086,535
Other deposits	1,235,982	1,235,982
	1,508,013,932	1,755,322,517
	9,487,054,942	8,534,916,585



12.1 Deposit details concentrating liquidity nature

i) Demand deposit

Current deposit
Saving deposit (10%)
Foreign currency deposit
Short term deposit
Other demand deposit-local currency
Other demand deposit-foreign currency

31.12.2020 Taka	31.12.2019 Taka
2,312,094,763	1,499,391,742
54,534,423	48,505,313
1,506,777,950	1,754,086,535
91,849,860	76,263,325
82,900,122	151,586
1,235,982	1,235,982
4,049,393,100	3,379,634,482

ii) Time deposit

Saving deposit (90%)
Fixed deposit
Foreign currency deposit
Short term deposit

490,809,805	436,547,815
4,946,852,037	4,495,913,168
-	-
-	222,821,121
5,437,661,842	5,155,282,103
9,487,054,942	8,534,916,585

12.2 Maturity wise grouping of deposits

Payable on demand
Payable within 1 month
Over 1 month but within 3 months
Over 3 month but within 1 year
Over 1 year but within 5 years
Over 5 years

3,071,313,570	2,778,000,952
1,135,889,974	1,027,411,678
3,673,551,506	1,660,927,330
1,606,299,892	1,452,897,116
-	1,615,679,510
9,487,054,942	8,534,916,585

13. Other liabilities

Foreign Currency claims received accounts	
Fixed Deposit interest account	
Provision on loans and advances	(Note-13.1)
Interest Suspense Account	(Note-13.3)
Withholding tax payable (payable on interest)	(Note-13.4)
Provision for current taxation	(Note-13.5)
Inter branch adjustment account	
Lease obligation	(Note-13.6)
Short Term Deposit Interest Account	
Provision for audit fees	
Interest Payable on Call Money	
Other Provision	

-	-
87,384,008	99,045,065
442,929,611	375,484,659
12,680,576	4,444,745
641,487	-
833,397,428	1,138,504,554
-	52,075
154,380,125	131,133,212
-	-
287,500	287,500
-	-
11,423,205	13,516,846
1,543,123,941	1,762,468,657

13.1 Provision for loans and advances

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

a. General (For more details 13.2)

Balance at the beginning of the year
Add: Provision made during the year

288,829,622	278,426,354
54,768,151	10,403,268
343,597,772	288,829,622

b. Special Provision for COVID-19

Balance at the beginning of the year
Add: Provision made during the year

-	-
8,399,498	-
8,399,498	-

**c. Specific**

Balance at the beginning of the year
 Add: Provision made during the year
 Less: Recoveries and provision no longer required
 Less: Write off during the year

Net actual provision at the end of year (a+b+c)

31.12.2020 Taka	31.12.2019 Taka
86,655,038	149,629,757
5,256,356	31,254,907
-	78,011,410
979,053	16,218,217
90,932,341	86,655,038
442,929,611	375,484,659

13.2 General Provisions for UC Loans & Advance and off balance sheet items

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

a. General Provision for Loans & Advance

Balance at the beginning of the year
 Add: Provision made/ (adjusted) during the year

66,001,712	57,994,355
35,229,331	8,007,357
101,231,043	66,001,712

b. General Provision for Off Balance Sheet Exposure

Balance at the beginning of the year
 Add: Provision made/ (adjusted) during the year

222,827,910	220,431,999
19,538,820	2,395,911
242,366,730	222,827,910
343,597,772	288,829,622

Total General Provision (a+b)

13.3 Interest suspense

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

Balance at the beginning of the year
 Add: Amount transferred during the year
 Less: Amount of interest suspense recovered
 Less: Write off during the year

4,444,745	44,961,516
8,235,831	1,434,965
12,680,576	46,396,481
-	-
-	41,951,736
12,680,576	4,444,745

13.4 Withholding tax payable

Balance at the beginning of the year
 Add: Addition during the year
 Less: paid during the year

-	5,763
148,036,574	35,520,858
148,036,574	35,526,621
147,395,087	35,526,621
641,487	-

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. 765,000,000.00 has been provided for current Income Tax.

Balance at the beginning of the year
 Add: Provision made during the year

1,138,504,554	777,238,640
765,000,000	1,127,000,000
1,903,504,554	1,904,238,640
1,070,107,126	765,734,086
833,397,428	1,138,504,554

Less: Adjustment with adv tax

Statement of tax position are given in Annexure-D.

13.6 Lease obligation

Opening balance
 Add: Addition during the year
 Less: Advance adjustment
 Payment made during the year
 Add: Interest expense

131,133,212	-
-	230,505,946
131,133,212	230,505,946
(60,867,260)	60,867,260
40,444,994	42,282,202
151,555,478	127,356,484
2,824,647	3,776,728
154,380,125	131,133,212



14. Fund deposited with Bangladesh Bank

Securities lien with Bangladesh Bank
Less: Transferred to Retained Earnings
Add: Fund Transferred from Retained Earning

31.12.2020 Taka	31.12.2019 Taka
8,613,826,631	8,586,004,502
(906,644,633)	-
-	27,822,129
7,707,181,998	8,613,826,631

SBI maintained capital in the form of deposit and Encumbered / Unencumbered 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 Encumbered / Unencumbered with Bangladesh Bank is shown in **Annexure-F**.

14.1 Capital adequacy as per Basel - III

The Bank's approach to capital management is driven by a desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements at all times and to maintain good credit ratings. Compliance with capital adequacy regulations Capital requirements for the Bank at a local level are set and monitored by Bangladesh Bank. The capital that the Bank is required to hold is determined considering its balance sheet and off-balance sheet positions in accordance with guidelines on risk based capital adequacy.

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

Regulatory capital

1. Tier-1 (Core capital)	(Note 14.1.1)	11,634,691,294	10,779,988,139
2. Tier-2 (Supplementary capital)	(Note 14.1.2)	351,997,271	288,829,622
A. Total regulatory Capital (1+2)		11,986,688,565	11,068,817,761
 B. Total Risk Weighted Assets (RWA)	(Note 14.2)	19,334,793,230	19,221,817,552
C. Total (including Tier II) required is 10%		62.00%	57.58%
D. Common Equity Tier I of at least @ 4.5% of the total RWA		60.17%	56.08%
E. Tier I capital will be at least @ 6% of tota		60.17%	56.08%
F. Minimum Capital Requirement (MCR)			
10 % of RWA		1,933,479,323	1,922,181,755
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)		7,986,688,565	7,068,817,761

14.1.1 Tier - I (Core Capital)

Fund deposited with Bangladesh Bank
Statutory reserve
Retained Earnings
Actuarial gain / loss kept in books in Bangladesh
Sub-total

7,707,181,998	8,613,826,631
-	-
3,943,599,974	2,168,062,270
-	-
11,650,781,972	10,781,888,901

Amount deductible from CET 1 Capital (Regulatory Adjustments)

Book value of Goodwill
Shortfall in provision required against classified assets irrespective of any
Deficit on account of revaluation of investment in AFS category
Any increase in equity capital resulting from a securitization transaction
Deferred tax assets
Investment in subsidiary
Other if any
Sub-total
Total eligible Tier - 1 Capital

-	-
-	-
-	-
-	-
16,090,678	1,900,762
-	-
-	-
16,090,678	1,900,762
11,634,691,294	10,779,988,139



14.1.2 Tier - II (Supplementary Capital)

General Provision
Asset revaluation reserve
Preference Share
Perpetual Subordinated debt
Exchange Equalization Fund
Total eligible Tier - 2 Capital

Regulatory Adjustment
Revaluation Reserve for Fixed Assets, Securities & Equity Securities

31.12.2020 Taka	31.12.2019 Taka
351,997,271	288,829,622
33,912,352	44,284,407
-	-
-	-
-	-
385,909,622	333,114,029
33,912,352	44,284,407
351,997,271	288,829,622

14.2 Risk Weighted Assets (RWA)

- Investment (credit) Risk
 - On-balance sheet
 - Off-balance sheet
- Market Risk
- Operational risk

8,469,058,042	9,041,191,221
6,914,142,012	6,337,929,951
15,383,200,054	15,379,121,172
286,220,674	53,612,625
3,665,372,501	3,789,083,756
19,334,793,230	19,221,817,552

(Bank has determined the RWA peration as a whole)

15. Surplus in profit and loss account/ retained earnings

Balance at the beginning of the year
Add: Net Profit for the year
Add: Net Profit received from Off-share Banking Unit (OBU)
Add: Excess Income Tax Provision written back
Add: Excess Revaluation Reserve Transfer to Profit & Loss Account
Less Prior Year Adjustment(Deferred Tax)
Add: Amount transferred from deposit kept with Bangladesh Bank for Capital and SLR Purpose/ (Release from Fund Deposit with Bangladesh Bank) (Note:14)

2,168,062,270	645,463,569
442,984,216	1,141,753,459
425,908,855	408,667,371
-	-
-	-
-	-
906,644,633	(27,822,129)
3,943,599,974	2,168,062,270

16. Other reserve

Balance at the beginning of the year
Add: Amortization gain on HTM securities during the year
Less: Transferred to Profit & Loss Account at maturity
Off-shore Banking Unit

88,568,814	41,341,940
320,137,849	156,669,780
408,706,662	198,011,720
340,881,959	109,442,907
67,824,703	88,568,814
67,824,703	88,568,814

17. Contingent liabilities

Acceptances and endorsements
Letter of guarantee(Excluding Margin) (Note 17.1)
Irrevocable letter of credits(Excluding Margin) (Note 17.2)
Bills for collection
Other contingent liabilities

25,624,306,714	27,906,239,274
2,236,979,973	1,587,225,480
-	-
-	-
27,861,286,687	29,493,464,755

17.1 Letter of guarantee

Letter of Guarantee (Local)
Letter of Guarantee (Foreign)
Foreign counter Guarantee
Less : Margin (Cash)

-	-
25,624,306,714	27,906,239,274
-	-
25,624,306,714	27,906,239,274
144,535,000	144,535,000
25,479,771,714	27,761,704,274



	31.12.2020 Taka	31.12.2019 Taka
Balance for which the Bank is contingently liable in respect of guarantee issued favoring		
Directors	-	-
Government	-	-
Bank and other financial institution	25,624,306,714	27,906,239,274
Others	-	-
	25,624,306,714	27,906,239,274
Less : Margin (Cash)	101,715,201	144,535,000
	25,522,591,513	27,761,704,274

17.2 Irrevocable letter of credit

Letter of Credit (Inland)	2,236,979,973	1,587,225,480
Letter of Credit (General)	-	-
Back to Back L/C	-	-
	2,236,979,973	1,587,225,480
Less: Margin	521,276,979	630,570,503
	1,715,702,994	956,654,977

17.3 Suit filed against the bank

No law suit has been filed against the bank for which Bank's are contingent liabilities.



		2020 Taka	2019 Taka
18. Income statement			
Income			
Interest, discount and similar income	(Note-18.1)	649,223,337	692,025,153
Fees, commission and brokerage	(Note-18.2)	575,464,261	1,675,096,658
Gains less losses arising from investment securities		735,808,657	529,409,553
Income from non-banking assets		-	-
Other operating income	(Note-22)	2,686,185	4,018,570
Interest Income from Interbranch Call Money		36,601,214	133,442,828
		1,999,783,653	3,033,992,762
Expenses			
Interest, fees and commission	(Note-19)	336,895,186	347,382,605
Administrative expenses	(Note-18.3)	175,551,477	231,527,912
Other operating expenses		148,029,498	145,624,696
Depreciation on banking assets	(Note-28)	77,089,187	76,810,715
		737,565,348	801,345,928
Operating profit		1,262,218,305	2,232,646,834
18.1 Interest, discount and similar income			
Interest on loans and advances	(Note 18.1.1)	649,223,337	692,025,153
Interest on money at call and short notice		-	-
Interest on balance with other banks		-	-
Interest on treasury bills & bonds		-	-
Interest on fixed deposits with other banks		-	-
Interest on other sundry income		-	-
		649,223,337	692,025,153
18.1.1 Interest on loans and advances			
Cash Credits		435,042,358	351,766,927
Overdrafts		51,377,183	54,840,537
Demand Loan		11,007,838	16,209,782
Term Loan		151,795,957	269,207,907
		649,223,337	692,025,153
18.2 Fees, commission and brokerage			
Fees		-	-
Commission		575,464,261	1,675,096,658
		575,464,261	1,675,096,658
18.3 Administrative expenses			
Salaries and allowances		112,793,300	145,065,454
Rent, taxes, insurance, electricity etc.		48,005,030	53,750,419
Legal expenses		586,386	901,540
Postage, stamps, telecommunication etc.		3,579,654	8,467,277
Stationery, printing, advertisement etc.		6,804,801	18,797,841
Chief Executive's salary & fees		-	-
Directors' fees & expenses		-	-
Auditors' fee		287,500	287,500
Repairs & maintenance of fixed assets		3,494,805	4,257,881
		175,551,477	231,527,912
19. Interest paid on deposits and borrowing etc.			
Interest on deposits			
Recurring Deposit		10,146,267	10,895,861
Short Term Deposit (STD)		1,696,333	8,877,044
Savings		18,617,775	16,502,762
Term		306,434,811	311,106,937
		336,895,186	347,382,605
Interest on money at call and short notice		(36,601,214)	(133,442,828)
Interest on local bank accounts		-	-
		300,293,972	213,939,777



	2020 Taka	2019 Taka
20. Investment income		
Interest on treasury bonds	393,213,156	369,883,870
Interest (discount) on treasury bills	340,881,959	156,669,780
Dividend income	1,713,542	2,855,903
	735,808,657	529,409,553
21. Commission, exchange and brokerage		
Commission for Guarantees	104,177,662	109,388,125
Commission for LC negotiation/amendment/advising	18,336,352	28,165,055
Commission for inward & outward remittances	21,303,592	59,705,781
Commission on Visa Processing	284,342,505	1,318,313,615
Commission for miscellaneous	10,423,352	22,323,181
Foreign exchange earnings	136,880,798	137,200,901
	575,464,261	1,675,096,658
22. Other operating income		
Miscellaneous Income	2,686,185	4,018,570
	2,686,185	4,018,570
23. Salaries and allowances		
Basic Salary (B.S+H.R+CON)	89,468,537	100,437,070
Salary Casual Staff	16,841,533	36,374,874
Salary Leave Encash & Allowances	4,430,762	4,629,930
Provident Fund	2,052,469	3,623,581
	112,793,300	145,065,454
24. Rent, taxes, insurance, electricity etc.		
Rent, rates & taxes	32,838,592	33,999,027
Insurance	9,531,765	9,450,814
Power & electricity	5,634,673	10,300,577
	48,005,030	53,750,419
25. Postage, stamp, telecommunication etc.		
Postage & courier	1,061,311	4,404,639
Telephone-Office	2,518,343	4,062,638
	3,579,654	8,467,277
26. Stationery, printing, advertisement etc.		
Stationery & Printing	6,395,467	18,317,061
Advertisement Statutory	409,335	480,780
Advertisement Public Relation & Others	-	-
	6,804,801	18,797,841
27. Auditors' fee		
Audit Fee (Statutory Audit)	287,500	287,500
	287,500	287,500
28. Depreciation on and repairs to bank's assets		
A. Depreciation of property plant and equipments		
Furniture & fixtures	4,293,115	3,575,834
Office equipments	4,634,337	4,438,649
IT hardware	12,025,757	12,660,254
Right to use of asset (asset under lease)	56,135,978	56,135,978
	77,089,187	76,810,715
B. Repairs & maintenance expenses		
Transport Maintenance	3,494,805	4,257,881
Equipment Maintenance	-	-
Hardware & Software Maintenance	3,494,805	4,257,881
Premises Maintenance	80,583,992	81,068,596



29. Other expenses

	2020 Taka	2019 Taka
Water Consumption	461,084	933,373
Traveling expenses	321,535	1,231,527
Halting allowance	192,851	467,901
Finance expenses	2,824,647	3,776,728
Consultancy Fees	1,471,500	965,000
Computer expenses (including maintenance)	36,544,088	26,880,490
Petrol, Oil and Lubricants	1,374,805	1,865,687
Security	9,801,483	18,100,126
Membership subscription	585,477	188,824
Entertainment: canteen & other	5,961,905	11,838,714
News paper/Books	1,948,920	2,138,960
Conveyance Allowance	-	-
Finacle Expenses	13,355,621	14,805,114
Children Education	958,247	854,054
Clearing Expenses	-	-
Other Allowances	4,404,741	3,495,912
Office Maintenance	3,887,053	9,148,321
Charges Donation	1,927,201	1,906,812
Rentals Car/ Transportation Exp.	4,104,389	6,086,708
Training	81,805	138,433
Charges (Others)	57,822,147	40,802,013
	148,029,498	145,624,696

30. Provisions

a) Provision on loans & advances

Provision made/ (adjusted) during the year for STD account	35,229,331	8,007,357
Specific Provision made during the year	5,256,356	31,254,907
Specific Provision made during the year (COVID-19)	8,399,498	
Recoveries/Provision no longer required	-	(78,011,410)
	48,885,185	(38,749,146)

b) Provision for Off Balance Sheet

Provision on LC & BG	19,538,820	2,395,911
Less: Recoveries/Provision no longer required	-	-
	19,538,820	2,395,911
Grand Total (a+b)	68,424,005	(36,353,235)

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 2020, 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 as at 31.12.2020
SBI, Hongkong Operations	Inter Office	Treasury	23,733,556,000
State Bank of India, West Germany (FF)	Inter Office	Nostro	28,719,159
State Bank of India, London	Inter Office	Nostro	2,992,995
State Bank of India, New York	Inter Office	Nostro	148,666,336
State Bank of India, Japan	Inter Office	Nostro	1,410,432

32. Receipts from other operating activities

SWIFT Charges	2,686,185	4,018,570
Interest Income from Local Banks	-	-
Service & Other Charges from Vostro Account	-	-
	2,686,185	4,018,570



33. Payment for other operating activities

Rent, taxes, insurance, electricity etc.
Legal expenses
Postage, stamps, telecommunication etc.
Stationery, printing, advertisement etc.
Auditors' fee
Charges on loan losses
Depreciation on and repairs to bank's assets
Other expenses

2020 Taka	2019 Taka
(48,005,030)	(53,750,419)
(586,386)	(901,540)
(3,579,654)	(8,467,277)
(6,804,801)	(18,797,841)
(287,500)	(287,500)
-	-
(80,583,992)	(81,068,596)
(148,029,498)	(127,994,193)
(287,876,862)	(291,267,366)

State Bank of India
Bangladesh Operation
Off-shore Banking Unit
Balance Sheet
As at 31 December 2020

PROPERTY AND ASSETS

Notes	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
Cash	8,000,000	675,400,000		
Cash in hand (including foreign currency)	-	-	-	-
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)	8,000,000	675,400,000	-	-
Balance with other banks and financial institutions	43,844	3,701,562	8,229,480	694,773,819
In Bangladesh	-	-	-	-
Outside Bangladesh	43,844	3,701,562	8,229,480	694,773,819
Money at call on short notice	-	-	-	-
Investments	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
Outside Bangladesh	-	-	-	-
Loans and advances	281,458,920	23,762,169,321	284,645,847	24,031,225,646
Loans, cash credits, overdrafts, etc.	17,565,811	1,482,993,607	22,163,693	1,871,169,776
Bills purchased and discounted	263,893,109	22,279,175,714	262,482,154	22,160,055,870
Fixed assets including premises, furniture & fixtures	-	-	-	-
Other assets	3,500,298	295,512,674	4,358,006	367,924,694
Non banking assets	-	-	-	-
Total assets	293,003,063	24,736,783,557	297,233,333	25,093,924,159

LIABILITIES AND CAPITAL

Liabilities				
Borrowing from other banks, financial institutions & agents	281,120,000	23,733,556,000	287,180,000	24,245,171,500
In Bangladesh	-	-	-	-
Outside Bangladesh	281,120,000	23,733,556,000	287,180,000	24,245,171,500
Deposits and other accounts	731,571	61,762,882	713,960	60,276,079
Current deposits and other accounts	731,571	61,762,882	713,960	60,276,079
Bills payable	-	-	-	-
Savings bank deposits	-	-	-	-
Term deposits	-	-	-	-
Other liabilities	4,445,920	375,346,833	4,294,554	362,567,725
Total liabilities	286,297,491	24,170,665,715	292,188,514	24,668,015,304
Capital / equity	6,705,571	566,117,843	5,044,819	425,908,855
Fund deposited with Bangladesh Bank	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Surplus in profit and loss account/ Retained earnings	6,705,571	566,117,843	5,044,819	425,908,855
Total liabilities and equity	293,003,063	24,736,783,557	297,233,333	25,093,924,159

Contingent liabilities

Letter of guarantee

Irrevocable letters of credit

Bills for collection

Documents credit and short term trade -related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting

Undrawn formal standby facilities, credit lines and

Notes

Country Head

Head of Risk Management Department

This is the balance sheet referred to in our separate report of even date.

Dhaka,
18 February 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md Moniruzzaman FCA
Partner

ICAB Enrollment No: 787

DVC No: 2102250787AS289781

**State Bank of India
Bangladesh Operation
Off-shore Banking Unit
Profit and Loss Account
For the year ended 31 December 2020**

Notes	2020		2019		
	USD	Taka	USD	Taka	
OPERATING INCOME					
Interest income	14	13,051,062	1,101,835,887	16,966,984	1,432,437,610
Less: Interest paid on deposits, borrowings, etc.	15	(5,165,197)	(436,071,780)	(10,880,333)	(918,572,099)
Net interest income		7,885,864	665,764,107	6,086,651	513,865,511
Income from investment		-	-	-	-
Commission, exchange and brokerage	16	138,450	11,688,678	70,390	5,942,639
Other operating income	17	-	-	(339)	(28,579)
Total operating income		8,024,315	677,452,785	6,156,702	519,779,571
OPERATING EXPENSE					
Salaries and allowances	18	64,548	5,449,500	58,577	4,945,392
Rent, taxes, insurance, lighting and traveling	19	842,283	71,109,713	5,719	482,789
Legal expenses		-	-	-	-
Postage, stamp, telegram and telephone	20	-	-	-	-
Auditors' fee	21	-	-	-	-
Stationery, printing and advertisement	22	-	-	-	-
Charges on loan loss		-	-	-	-
Managing director's salary		-	-	-	-
Directors' meeting fee		-	-	-	-
Repair, maintenance and depreciation of assets		-	-	-	-
Other expenses	23	17,701	1,494,377	4,641	391,783
Total operating expenses (b)		924,532	78,053,590	68,936	5,819,964
Profit before provision (c = (a-b))		7,099,783	599,399,195	6,087,766	513,959,607
Provision for loans & advance, other assets & off Balance Sheet items	24	485,813	41,014,746	1,042,946	88,050,752
Profit before taxation		6,613,970	558,384,449	5,044,819	425,908,855
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Net profit after taxation		6,613,970	558,384,449	5,044,819	425,908,855

The annexed notes from 1 to 24 form an integral part of these financial statements.

Country Head

Head of Risk Management Department

This is the profit and loss account referred to in our separate report of even date.

Dhaka,
18 February 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants

M. Moniruzzaman, FCA
Partner
ICAB Enrollment No: 787

DVC No: 2102250787AS289781



**State Bank of India
Bangladesh Operation
Off-shore Banking Unit
Statement of Cash Flows
For the year ended 31 December 2020**

	2020		2019	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest received in cash	13,908,770	1,174,247,906	15,065,188	1,269,422,318
Interest payments	(3,994,077)	(337,199,951)	(11,646,904)	(983,970,192)
Dividend received	-	-	-	-
Fees and commission received in cash	138,450	11,688,678	70,390	5,942,639
Recovery of loans and advances in cash previously written-off	-	-	-	-
Cash paid to employees	-	-	-	-
Income tax paid	-	-	(339)	(28,579)
Cash received from other operating activities	-	-	-	-
Cash paid for other operating activities	-	-	-	-
Operating profit/(loss) before changes in operating assets & liabilities (I)	10,053,143	848,736,633	3,488,335	291,366,186
Change in operating assets and liabilities				
Loans and advances to customers	3,186,927	269,056,325	(106,771,073)	(9,192,022,650)
Other assets	-	-	-	-
Deposits from other Banks	(6,060,000)	(511,615,500)	114,234,625	9,817,203,558
Deposit from customers	17,611	1,486,803	342,084	29,252,316
Other liabilities	(2,338,498)	(197,427,663)	1,353,505	122,386,264
Cash generated from operating assets and liabilities (II)	(5,193,960)	(438,500,035)	9,159,140	776,819,489
Net cash flow from operating activities (a)=(I)+(II)	4,859,184	410,236,598	12,647,476	1,068,185,675
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 flow from/(used in) Investing activities (b)	-	-	-	-
Cash flows from financing activities				
Loan paid	-	-	-	-
Transferred to Domestic Banking Unit	(5,044,819)	(425,908,855)	(4,840,597)	(408,667,371)
Net cash (used in)/flow from financing activities (c)	(5,044,819)	(425,908,855)	(4,840,597)	(408,667,371)
Net (Decrease)/Increase in cash and cash equivalents (a+b+c)	(185,635)	(15,672,257)	7,806,879	659,518,304
Effects of exchange rate changes on cash & cash equivalent	-	-	-	-
Opening cash and cash equivalent	8,229,480	694,773,819	422,601	35,255,515
Closing cash and cash equivalent	8,043,844	679,101,562	8,229,480	694,773,819

The annexed notes from 1 to 24 form an integral part of these financial statements.

Dhaka,
18 February 2021


Country Head


Head of Risk Management Department

**State Bank of India
 Bangladesh Operations
 Off-shore Banking Unit
 Notes to the Financial Statements
 For the year ended 31 December 2020**

1.1 Status of the units

Off-shore Banking Units of State Bank of India, Bangladesh Operations is 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 their 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 their 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 recognized 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 IAS -21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted to equivalent US Dollar at buying rates of New York closing of the previous day.

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 International Accounting Standard 7 "Statement of Cash Flows" 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 2020.

**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 IAS 7 "Statement of Cash Flows". Cash flows from 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 recognized 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 IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.6 Revenue & expense recognition**2.6.1 Interest income**

In terms of the provisions of the IFRS 15 "Revenue from Contracts with Customers", the interest income is recognized on accrual basis.

2.6.2 Interest paid and other expenses

In terms of the provisions of the IAS 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. Because of the effects of rounding off, the totals in some instances, may not match the sum of individual balances.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US \$ 1 = Taka 84.425 (Closing mid rate as at 31 December 2020).



	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
3 Cash in hand				
In Local Currency	-	-	-	-
Foreign Currency Account	8,000,000	675,400,000	-	-
	<u>8,000,000</u>	<u>675,400,000</u>	<u>-</u>	<u>-</u>
4 Balance with other banks and financial institutions				
In Bangladesh (Note -4.1)	-	-	-	-
Outside Bangladesh (Note -4.2)	43,844	3,701,562	8,229,480	694,773,819
	<u>43,844</u>	<u>3,701,562</u>	<u>8,229,480</u>	<u>694,773,819</u>
4.1 In Bangladesh:				
Sonali / Rupali/CBC	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4.2 Outside Bangladesh				
Current Account	43,844	3,701,562	8,229,480	694,773,819
	<u>43,844</u>	<u>3,701,562</u>	<u>8,229,480</u>	<u>694,773,819</u>
5 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Term loan	2,667,216	225,179,669	22,163,693	1,871,169,776
Cash Credit	-	-	-	-
Over draft	14,898,596	1,257,813,939	-	-
	<u>17,565,811</u>	<u>1,482,993,607</u>	<u>22,163,693</u>	<u>1,871,169,776</u>
ii) Bills purchased and discounted (Note-6)				
Inside Bangladesh				
Inland bills purchased and discounted	263,893,109	22,279,175,714	262,482,154	22,160,055,870
Outside Bangladesh				
Foreign bills purchased and discounted	-	-	-	-
	<u>263,893,109</u>	<u>22,279,175,714</u>	<u>262,482,154</u>	<u>22,160,055,870</u>
	<u>281,458,920</u>	<u>23,762,169,321</u>	<u>284,645,847</u>	<u>24,031,225,646</u>
5.1 Geographical location-wise loans and advances				
Dhaka	151,311,488	12,774,472,366	142,951,497	12,068,680,099
Chittagong	130,147,432	10,987,696,955	141,694,351	11,962,545,548
Sylhet	-	-	-	-
Rajshahi	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	<u>281,458,920</u>	<u>23,762,169,321</u>	<u>284,645,847</u>	<u>24,031,225,646</u>
5.2 Classification of loans and advances				
Unclassified				
(i) Standard	281,458,920	23,762,169,321	284,645,847	24,031,225,646
(ii) Special mention account	-	-	-	-
Classified				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / loss	-	-	-	-
	<u>281,458,920</u>	<u>23,762,169,321</u>	<u>284,645,847</u>	<u>24,031,225,646</u>
6 Bills purchased and discounted				
In Bangladesh	263,893,109	22,279,175,714	262,482,154	22,160,055,870
Outside Bangladesh	-	-	-	-
	<u>263,893,109</u>	<u>22,279,175,714</u>	<u>262,482,154</u>	<u>22,160,055,870</u>
7 Fixed assets including premises, furniture and fixtures				
Furniture and fixtures	-	-	-	-
Office equipment and machinery	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



8 Other assets

Inter Branch Account
Receivables from DBU(I)
Interest income receivable on loans & advance
Exchange Fluctuation of receivables from DBU

31.12.2020		31.12.2019	
USD	Taka	USD	Taka
-	-	-	-
-	-	-	-
3,500,298	295,512,674	4,358,006	367,924,693
-	-	-	-
3,500,298	295,512,674	4,358,006	367,924,693

9 Borrowing from other banks, financial institutions & agents

Dhaka Branch
State Bank of India, Hongkong

-	-	-	-
281,120,000	23,733,556,000	287,180,000	24,245,171,500
281,120,000	23,733,556,000	287,180,000	24,245,171,500

10 Deposits and other accounts

Current deposits and other accounts (Note- 10.1)
Savings deposits account (Note- 10.2)

731,571	61,762,882	713,960	60,276,079
-	-	-	-
731,571	61,762,882	713,960	60,276,079

10.1 Current deposits and other accounts

Inter Branch a/c
Bangladesh Bank
Other Current A/C

-	-	-	-
-	-	-	-
731,571	61,762,882	713,960	60,276,079
731,571	61,762,882	713,960	60,276,079

10.2 Savings deposits account

Deposits from banks
Deposits from customers

-	-	-	-
-	-	-	-
-	-	-	-

11 Other liabilities

Interest payable on inter branch borrowings
ISO Reconciliation
Provision on loans and advances (Note-11.1)
Provision for Current Taxation (v)
TDS Account (including 20% TDS payable on interest payable Payable to DBU)

275,760	23,281,073	1,446,881	122,152,903
291	24,531	-	-
3,333,273	281,411,542	2,847,458	240,396,682
-	-	-	-
836,597	70,629,687	215	18,140
-	-	-	-
4,445,920	375,346,833	4,294,554	362,567,725

11.1 Provision for loans and advances

Provision for bad and doubtful debts (ii)
Provision on unclassified loans (iii)
On Special Provision for COVID- 19 (iv)

-	-	-	-
2,815,089	237,663,913	-	-
518,183	43,747,629	2,847,458	240,396,682
3,333,273	281,411,542	2,847,458	240,396,682

i) Fresh provision on loans & advance made during the year

On classified loans & advances as per BBK circular (ii)
On unclassified loans & advances (iii)
On Special Provision for COVID- 19 (iv)

-	-	-	-
2,815,089	237,663,913	1,064,321	89,855,264
518,183	43,747,629	-	-
3,333,273	281,411,542	1,064,321	89,855,264

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) a) The movement in general provision on unclassified loans:

Provision held at the beginning of the year
Adjustment
Add: Additional provision for the year
Less: Provision written back
Provision held at the end of the year

2,847,458	240,396,682	1,783,138	150,541,418
-	-	-	-
-	-	1,064,321	89,855,264
32,369	2,732,769	-	-
2,815,089	237,663,913	2,847,458	240,396,682

b) Breakup of unclassified loans & advances

General provision for loans & advances
General provision for Off- Balance Sheet item

31.12.2020		31.12.2019	
USD	Taka	USD	Taka
2,815,089	237,663,913	2,847,458	240,396,682
-	-	-	-
2,815,089	237,663,913	2,847,458	240,396,682

iv) Provision for Special Provision for COVID -19

Opening Balance
Add: Additional provision for the year
Add: Exchange Fluctuation
Less: Payment made during the year

-	-	-	-
518,183	43,747,629	-	-
-	-	-	-
-	-	-	-
518,183	43,747,629	-	-

v) Provision for Current Taxation

Opening Balance
Add: Additional provision for the year
Add: Exchange Fluctuation
Less: Payment made during the year

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

12 Retained Earning account

Opening balance
Add: Exchange Fluctuation
Add: Income tax provision
Add: Net profit for the year
Less: Transferred to retained earning (DBU)

5,044,818	425,908,855	4,898,620	408,667,371
91,601	7,733,394	(58,024)	-
-	-	-	-
6,613,970	558,384,449	5,044,819	425,908,855
5,044,819	425,908,855	4,840,597	408,667,371
6,705,571	566,117,843	5,044,818	425,908,855

13 Contingent liabilities
13.1 Acceptance & endorsement

Back to back bills
Less: Margin

-	-	-	-
-	-	-	-
-	-	-	-

13.2 Irrevocable letter of credits

Letter of credits
Back to back letter of credit

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Less: Margin

-	-	-	-
-	-	-	-

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
Term Loan
Bills Discount
Others

-	-	-	-
471,251	39,785,402	678,706	57,299,764
10,804,680	912,185,112	12,488,472	1,054,339,274
1,751,675	147,885,158	3,723,641	314,368,400
13,027,606	1,099,855,672	16,890,820	1,426,007,438



	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
Interest on loans and advances				
Interest on balance with other banks and financial institutions	23,455	1,980,215	76,164	6,430,172
Interest received from foreign banks	-	-	-	-
	<u>23,455</u>	<u>1,980,215</u>	<u>76,164</u>	<u>6,430,172</u>
Total interest income	13,051,062	1,101,835,887	16,966,984	1,432,437,610
15 Interest paid on deposits, borrowings, etc.				
Interest paid on Inter Branch Borrowings	5,165,197	436,071,780	10,880,333	918,572,099
Interest paid on Bangladesh Bank	-	-	-	-
	<u>5,165,197</u>	<u>436,071,780</u>	<u>10,880,333</u>	<u>918,572,099</u>
16 Commission/ fees				
Commission for handling	37,727	3,185,113	64,464	5,442,362
Commission for LC negotiation/amendment/advising	100,044	8,446,248	4,694	396,299
Commission for foreign bill negotiation	-	-	-	-
Commission for outward remittances	120	10,131	309	26,087
Commission acceptance on bills	-	-	-	-
Commission for inward remittance	322	27,185	506	42,719
Commission for miscellaneous	237	20,000	417	35,171
	<u>138,450</u>	<u>11,688,678</u>	<u>70,390</u>	<u>5,942,639</u>
17 Other operating income				
Swift	-	-	-	-
Exchange Gain/(Loss)	-	-	(339)	(28,579)
Postage & courier	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(339)</u>	<u>(28,579)</u>
18 Salaries and allowances				
Basic Salary	62,758	5,298,317	56,786	4,794,179
Other Allowances	709	59,859	190	16,066
Provident Fund	1,082	91,323	1,601	135,147
	<u>64,548</u>	<u>5,449,500</u>	<u>58,577</u>	<u>4,945,392</u>
19 Rent, taxes, insurance, electricity etc.				
Rent, rates & taxes	842,283	71,109,713	5,719	482,789
	<u>842,283</u>	<u>71,109,713</u>	<u>5,719</u>	<u>482,789</u>
19.1 Office Rent				
Rent(office)	2,843	240,013	5,719	482,789
Electricity (Office)	2,843	240,013	-	-
Tax on Interest Payment on Borrowings	836,597	70,629,687	-	-
	<u>842,283</u>	<u>71,109,713</u>	<u>5,719</u>	<u>482,789</u>
20 Postage, stamp, telecommunication etc.				
Postage & courier	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
21 Stationery, printing, advertisement etc.				
Stationery & Printing	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
22 Auditors' fee				
Audit Fee(Statutory Audit)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
23 Other expenses				
Finacle Expenses	6,090	514,148	-	-
Others	11,611	980,229	4,641	391,783
	<u>17,701</u>	<u>1,494,377</u>	<u>4,641</u>	<u>391,783</u>
24 Provision for loan :				
Provision against classified loan	-	-	-	-
Provision against unclassified loan	485,813	41,014,746	1,042,946	88,050,752
	<u>485,813</u>	<u>41,014,746</u>	<u>1,042,946</u>	<u>88,050,752</u>

Annexure - A

State Bank of India
Bangladesh Operations
Balance with other banks and financial institutions (Outside Bangladesh on Demand Deposit Accounts)
As at 31 December 2020

Name of Bank	Currency Type	A/C Type	2020			2019		
			FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
Standard Chartered Bank, Karachi Branch	USD	CD	-	84.4250	-	-	84.4250	-
Deutsche Bank, Mumbai	USD	CD	-	84.4250	-	-	84.4250	-
JP Morgan Chase Bank	USD	CD	4,567,864	84.4250	385,641,917	3,527,854	84.4250	297,839,076
ACU Dollar Nostro a/c (ISB Mumbai)	USD	CD	465,208	84.4250	39,275,202	2,692,877	84.4250	227,346,128
Bank of America	USD	CD	-	84.4250	-	-	84.4250	-
Deutsche Bank Trust Company, New York	USD	CD	-	84.4250	-	-	84.4250	-
State Bank of India, West Germany (FF)	EURO	CD	276,796	103.7557	28,719,159	201,124	94.5529	19,016,900
State Bank of India, London	GBP	CD	26,174	114.3517	2,992,995	17,290	110.7212	1,914,362
State Bank of India, New York	USD	CD	1,760,928	84.4250	148,666,336	2,717,680	84.4250	229,440,109
State Bank of India, Japan	JPYEN	CD	1,721,088	0.8195	1,410,432	4,640,039	0.7759	3,600,206
Citi N.A.	USD	CD	43,844	84.4250	3,701,562	8,229,480	84.4250	694,773,819
Total			8,861,902		610,407,602	22,026,344		1,473,930,599

**State Bank of India
Bangladesh Operations
Details of Large Loan
As at 31 December 2020**

Number of Clients: 5
Amount of outstanding advances: 459
Amount of classified advances: NIL
Measures taken for recovery: NIL

Client wise break-up is as follows:

Sl. #	Name of Clients	Limit Sanctioned		Outstanding (Taka in Crore)		
		Funded	Non Funded	Funded	Non Funded	Total
1	Nita Company Ltd. Unit-2	50	70	32.74	66.5	99
2	Walton Hi-Tech Industries Ltd.	40	60	20.19	59.57	80
3	Apex Footwear Ltd.	100	0	102.47	0	102
4	BRAC	120	0	120.87	0	121
5	IFAD AUTOS LIMITED	52.5	25	43.62	12.82	56
Total		363	155	320	139	459

Annexure - C

State Bank of India
Bangladesh Operations
Schedule of Fixed Assets including premises, furniture and fixtures
As at 31 December 2020

(Figures in Taka)

Particulars	COST				Rate %	DEPRECIATION				Written down value of 31 December 2020
	Balance as of 01 January 2020	Addition during the year	Adjustment/ disposal during the year	Balance as of 31 December 2020		Balance as of 01 January 2020	Charged for the year	Adjustment/ disposal during the year	Balance as of 31 December 2020	
Furniture & fixture	86,202,248	9,368,191	2,010,181	93,560,259	10%	51,167,392	4,293,115	1,603,876	53,856,631	39,703,628
Office Appliances	56,447,193	4,381,051	-	60,828,243	25%	41,588,955	4,634,337	-	46,223,292	14,604,951
Computer	136,846,810	10,720,703	-	147,567,513	25%	99,150,233	12,025,757	-	111,175,990	36,391,523
Right-of-use asset (under lease)	230,505,946	-	-	230,505,946		56,135,978	56,135,978	-	112,271,956	118,233,990
As on 31 December 2020	510,002,197	24,469,945	2,010,181	532,461,961		248,042,558	77,089,187	1,603,876	323,527,869	208,934,092
As on 31 December 2019	489,636,047	21,819,991	1,453,841	510,002,197		171,231,843	76,810,715	-	248,042,558	261,959,639

State Bank of India
Bangladesh Operations
Statement of Tax Position
As at 31 December 2020

(Figures in Taka)

Accounting Year	Assessment Year	Tax provision	Tax as per assessment	Advance Tax as per assessment order	Present Status
2001	2002-2003	48,938,000	48,938,000	48,938,000	Completed
2002	2003-2004	52,406,268	52,406,268	52,406,268	Completed
2003	2004-2005	45,952,000	45,952,000	45,952,000	Completed
2004	2005-2006	107,900,000	107,900,000	107,900,000	Completed
2005	2006-2007	120,406,589	120,406,224	120,406,589	Completed
2006	2007-2008	136,773,803	136,773,803	136,773,803	Completed
2007	2008-2009	190,945,069	190,945,069	190,945,069	Completed
2008	2009-2010	226,964,018	226,964,018	226,964,018	Completed
2009	2010-2011	210,000,000	204,599,250	203,338,070	Completed
2010	2011-2012	330,000,000	325,930,336	325,296,807	Completed
2011	2012-2013	510,000,000	495,223,988	499,747,443	Completed
2012	2013-2014	586,000,000	585,454,308	584,253,458	Completed
2013	2014-2015	465,000,000	465,242,552	459,999,999	Completed
2014	2015-2016	517,482,673	488,309,032	488,309,032	Completed
2015	2016-2017	455,847,986	456,086,402	456,086,402	Completed
2016	2017-2018	440,000,000	404,674,535	404,674,535	Completed
2017	2018-2019	538,328,830	557,601,157	557,720,740	Submitted & Completed U/S 82BB
2018	2019-2020	765,000,000	765,734,086	765,734,086	Submitted & Completed U/S 82BB
2019	2020-2021	765,000,000	1,070,107,126	1,070,107,126	Submitted & Completed U/S 82BB

Annexure-E

State Bank of India
Bangladesh Operations
Unreconciled Entries and amount in Local & Nostro Account
Position as on 31 December 2020

Sl. #	Name of the Bank	Currency	Year	Note Ref.	Local Book						Foreign book					
					Local Debits			Local Credits			Nostro's Debits			Nostro's Credits		
					No. of entry	Amount in F.C	Amount in US\$	No. of entry	Amount in F.C	Amount in US\$	No. of entry	Amount in F.C	Amount in US\$	No. of entry	Amount in F.C	Amount in US\$
1	State Bank of India, London	GBP	2020	2	-	-	-	-	-	-	-	-	-	-	-	-
2	State Bank of India, New York	USD	2020	2	2	900	900	-	-	-	-	-	-	17	882,304	882,304
3	State Bank of India, Frankfurt	EURO	2020	3	1	10	12.29	-	-	-	-	-	-	1	21,940	26,964
4	Deutsche Bank Trust Com. America, USA	USD	2020	4	-	-	-	1	22,805	22,805	3	2,303,279	2,303,279	24	2,556,397	2,556,397
5	State Bank of India, Tokyo	USD	2020	5	-	-	-	-	-	-	-	-	-	-	-	-
6	Bank of America	USD	2020	6	-	-	-	-	-	-	2	10,042	10,042	14	65,787	65,787
7	JP Morgan Chase bank, USA	USD	2020	7	-	-	-	2	27,568	27,568	-	-	-	1	61,074	61,074
8	State Bank of India, ISB Mumbai	USD	2020	8	-	-	-	-	-	-	-	-	-	-	-	-
Total					3	910	912	3	50,373	50,373	5	2,313,321	2,313,321	57	3,587,502	3,592,525

State Bank of India
Bangladesh Operations
Outstanding Investment at the end of December-2020
As on 31 December 2020

ISIN Number	Purchase Date	Face Value (Scrip currency)	Maturity Date	Purchase Cost	Yield/coupon Rate	Present Value	Portfolio	Type of Security	Remarks
BD0925141154	13-Oct-10	150,000,000.00	13-Oct-25	150,614,400.00	8.95%	150,195,792.35	HTM	T Bond	Lien for Capital
BD0925141154	13-Oct-10	150,000,000.00	13-Oct-25	150,491,250.00	8.95%	150,156,547.27	HTM	T Bond	Lien for Capital
BD0925141154	13-Oct-10	100,000,000.00	13-Oct-25	100,245,500.00	8.95%	100,078,233.80	HTM	T Bond	Lien for Capital
BD0930201209	24-Nov-10	350,000,000.00	24-Nov-30	354,728,850.00	9.45%	352,339,502.25	HTM	T Bond	Lien for Capital
BD0930161205	27-Oct-10	200,000,000.00	27-Oct-30	200,000,000.00	9.25%	200,000,000.00	HTM	T Bond	Lien for Capital
BD0930121209	29-Sep-10	120,000,000.00	29-Sep-30	120,435,096.00	9.25%	120,211,919.45	HTM	T Bond	Lien for Capital
BD0930121209	29-Sep-10	120,000,000.00	29-Sep-30	120,326,091.00	9.25%	120,158,827.07	HTM	T Bond	Lien for Capital
BD0930121209	29-Sep-10	100,000,000.00	29-Sep-30	100,181,034.00	9.25%	100,088,175.08	HTM	T Bond	Lien for Capital
BD0921411106	4-May-11	200,000,000.00	4-May-21	200,000,000.00	9.45%	200,000,000.00	HTM	T Bond	Lien for Capital
BD0922141108	10-Oct-12	8,200,000.00	10-Oct-22	8,200,000.00	11.80%	8,200,000.00	HTM	T Bond	Lien for Capital
BD0922101102	12-Sep-12	10,000,000.00	12-Sep-22	10,000,000.00	11.75%	10,000,000.00	HTM	T Bond	Lien for Capital
BD0922221108	12-Dec-12	11,000,000.00	12-Dec-22	10,993,643.00	11.80%	10,998,764.11	HTM	T Bond	Kept as SLR
BD0922181104	14-Nov-12	9,700,000.00	14-Nov-22	9,677,557.43	11.75%	9,695,808.92	HTM	T Bond	Kept as SLR
BD0927151151	17-Oct-12	1,100,000.00	17-Oct-27	1,097,723.93	11.93%	1,098,969.58	HTM	T Bond	Lien for Capital
BD0927111155	19-Sep-12	4,400,000.00	19-Sep-27	4,400,000.00	11.88%	4,400,000.00	HTM	T Bond	Lien for Capital
BD0927231151	19-Dec-12	1,000,000.00	19-Dec-27	1,001,371.00	12.08%	1,000,636.45	HTM	T Bond	Kept as SLR
BD0922061108	22-Aug-12	7,500,000.00	22-Aug-22	7,500,000.00	11.75%	7,500,000.00	HTM	T Bond	Lien for Capital
BD0932161203	25-Oct-12	1,200,000.00	25-Oct-32	1,198,214.73	12.16%	1,198,945.46	HTM	T Bond	Lien for Capital
BD0932121207	26-Sep-12	1,900,000.00	26-Sep-32	1,900,000.00	12.16%	1,900,000.00	HTM	T Bond	Lien for Capital
BD0932241203	26-Dec-12	1,200,000.00	26-Dec-32	1,200,000.00	12.28%	1,200,000.00	HTM	T Bond	Kept as SLR
BD0932201207	28-Nov-12	600,000.00	28-Nov-32	598,219.19	12.18%	598,939.80	HTM	T Bond	Kept as SLR
BD0932081203	29-Aug-12	4,100,000.00	29-Aug-32	4,100,000.00	12.16%	4,100,000.00	HTM	T Bond	Lien for Capital
BD0923261103	9-Jan-13	6,000,000.00	9-Jan-23	6,000,000.00	9.95%	6,000,000.00	HTM	T Bond	Kept as SLR
BD0923381109	10-Apr-13	6,700,000.00	10-Apr-23	6,677,094.44	12.10%	6,694,800.46	HTM	T Bond	Lien for Capital
BD0923341103	12-Jun-13	7,500,000.00	13-Mar-23	7,458,735.00	12.10%	7,490,717.98	HTM	T Bond	Kept as SLR
BD0923301107	13-Feb-13	4,900,000.00	13-Feb-23	4,900,000.00	12.00%	4,900,000.00	HTM	T Bond	Lien for Capital
BD0923031100	13-Oct-13	3,400,000.00	17-Jul-23	3,387,035.80	12.28%	3,396,628.00	HTM	T Bond	Lien for Capital
BD0923341103	15-May-13	7,200,000.00	13-Mar-23	7,160,565.60	12.19%	7,191,198.95	HTM	T Bond	Kept as SLR
BD0928271156	16-Jan-13	900,000.00	16-Jan-28	900,000.00	11.05%	900,000.00	HTM	T Bond	Kept as SLR
BD0923031100	17-Jul-13	4,000,000.00	17-Jul-23	3,993,187.34	12.22%	3,998,270.72	HTM	T Bond	Kept as SLR

ISIN Number	Purchase Date	Face Value (Scrip currency)	Maturity Date	Purchase Cost	Yield/ coupon Rate	Present Value	Portfolio	Type of Security	Remarks
BD0923031100	18-Sep-13	4,700,000.00	17-Jul-23	4,682,234.00	12.22%	4,695,411.23	HTM	T Bond	Kept as SLR
BD0923191102	18-Dec-13	2,900,000.00	20-Nov-23	2,892,750.00	12.16%	2,897,893.42	HTM	T Bond	Kept as SLR
BD0928471152	19-Jun-13	2,600,000.00	19-Jun-28	2,589,522.57	12.40%	2,594,787.10	HTM	T Bond	Lien for Capital
BD0928351156	20-Mar-13	500,000.00	20-Mar-28	499,662.94	12.38%	499,837.90	HTM	T Bond	Lien for Capital
BD0923031100	21-Aug-13	3,700,000.00	17-Jul-23	3,684,360.77	12.22%	3,695,991.65	HTM	T Bond	Kept as SLR
BD0928161159	23-Oct-13	1,400,000.00	23-Oct-28	1,393,428.42	12.42%	1,396,579.28	HTM	T Bond	Kept as SLR
BD0928041153	24-Jul-13	1,000,000.00	24-Jul-28	995,301.07	12.40%	997,632.10	HTM	T Bond	Kept as SLR
BD0928121153	25-Sep-13	2,400,000.00	25-Sep-28	2,391,944.69	12.42%	2,395,848.11	HTM	T Bond	Lien for Capital
BD0933121206	25-Sep-13	1,200,000.00	25-Sep-33	1,193,893.44	12.48%	1,196,112.87	HTM	T Bond	Lien for Capital
BD0933481204	26-Jun-13	1,300,000.00	26-Jun-33	1,293,384.56	12.48%	1,295,871.35	HTM	T Bond	Lien for Capital
BD0933241202	26-Dec-13	1,300,000.00	26-Dec-33	1,294,273.27	12.33%	1,296,282.53	HTM	T Bond	Kept as SLR
BD0933361208	27-Mar-13	900,000.00	27-Mar-33	898,032.33	12.51%	898,796.50	HTM	T Bond	Lien for Capital
BD0929201152	24-Dec-14	1,600,000.00	26-Nov-29	1,588,417.60	11.57%	1,593,092.21	HTM	T Bond	Lien for Capital
BD0934201205	24-Dec-14	1,400,000.00	26-Nov-34	1,390,251.80	12.07%	1,393,198.90	HTM	T Bond	Lien for Capital
BD0929201152	26-Nov-14	900,000.00	26-Nov-29	898,091.10	11.50%	898,867.34	HTM	T Bond	Lien for Capital
BD0934201205	26-Nov-14	700,000.00	26-Nov-34	695,802.80	12.06%	697,082.93	HTM	T Bond	Lien for Capital
BD0934161201	29-Oct-14	1,500,000.00	29-Oct-34	1,494,369.00	12.03%	1,496,108.02	HTM	T Bond	Lien for Capital
BD0928131103	22-Nov-18	200,000,000.00	22-Nov-28	207,367,800.00	6.64%	205,812,756.53	HTM	T. Bond	Lien for Capital
BD0928131103	22-Nov-18	150,000,000.00	22-Nov-28	154,972,800.00	6.69%	153,923,243.80	HTM	T. Bond	Lien for Capital
BD0928131103	22-Nov-18	100,000,000.00	22-Nov-28	102,948,100.00	6.74%	102,325,875.77	HTM	T. Bond	Lien for Capital
BD0928131103	22-Nov-18	100,000,000.00	22-Nov-28	102,509,800.00	6.80%	101,980,083.11	HTM	T. Bond	Lien for Capital
BD0933141154	28-Nov-18	150,000,000.00	28-Nov-33	151,476,300.00	7.44%	151,270,173.06	HTM	T. Bond	Lien for Capital
BD0933141154	28-Nov-18	150,000,000.00	28-Nov-33	150,802,803.00	7.49%	150,690,712.42	HTM	T. Bond	Lien for Capital
BD0938141209	28-Nov-18	102,200,000.00	28-Nov-38	102,200,000.00	8.24%	102,200,000.00	HTM	T. Bond	Lien for Capital
BD0921081024	6-Nov-19	100,000,000.00	4-Sep-21	100,946,900.00	8.15%	101,859,670.18	HTM	T. Bond	Lien for Capital
BD0921081024	6-Nov-19	200,000,000.00	4-Sep-21	201,759,600.00	8.19%	203,669,919.51	HTM	T. Bond	Lien for Capital
BD0922241023	8-Jan-20	100,000,000.00	8-Jan-22	100,072,403.00	8.23%	100,036,845.30	HTM	T. Bond	Kept as SLR
BD0922361029	22-Apr-20	100,000,000.00	22-Apr-22	100,145,897.00	7.68%	100,095,132.84	HTM	T. Bond	Kept as SLR
BD0936460213	2-Mar-20	100,000,000.00	1-Mar-21	93,084,200.00	7.45%	98,879,032.42	HTM	T. Bill	Kept as SLR
BD0922361029	22-Apr-20	100,000,000.00	22-Apr-22	100,054,703.00	7.68%	100,035,669.35	HTM	T. Bond	Kept as SLR
BD0936460213	2-Mar-20	100,000,000.00	1-Mar-21	93,049,700.00	7.49%	98,873,440.38	HTM	T. Bill	Kept as SLR
BD0936466210	18-May-20	100,000,000.00	17-May-21	93,231,400.00	7.28%	97,471,072.53	HTM	T. Bill	Lien for Capital
BD0936466210	18-May-20	100,000,000.00	17-May-21	93,205,400.00	7.31%	97,461,358.24	HTM	T. Bill	Lien for Capital
BD0936466210	18-May-20	100,000,000.00	17-May-21	93,188,000.00	7.33%	97,454,857.14	HTM	T. Bill	Lien for Capital
BD0922411022	3-Jun-20	100,000,000.00	3-Jun-22	100,109,200.00	7.80%	100,077,487.12	HTM	T. Bond	Lien for Capital
BD0922411022	3-Jun-20	150,000,000.00	3-Jun-22	150,081,906.00	7.80%	150,058,119.60	HTM	T. Bond	Lien for Capital
BD0918203219	20-Jul-20	150,000,000.00	18-Jan-21	146,465,250.00	4.84%	149,669,831.04	HTM	T. Bill	Kept as SLR
BD0918203219	20-Jul-20	150,000,000.00	18-Jan-21	146,443,800.00	4.87%	149,667,827.47	HTM	T. Bill	Kept as SLR

ISIN Number	Purchase Date	Face Value (Scrip currency)	Maturity Date	Purchase Cost	Yield/ coupon Rate	Present Value	Portfolio	Type of Security	Remarks
BD0918203219	20-Jul-20	150,000,000.00	18-Jan-21	146,429,550.00	4.89%	149,666,496.43	HTM	T. Bill	Lien for Capital
BD0918203219	20-Jul-20	130,000,000.00	18-Jan-21	126,880,910.00	4.93%	129,708,656.43	HTM	T. Bill	Lien for Capital
BD0936404211	27-Jul-20	100,000,000.00	26-Jul-21	95,060,900.00	5.21%	97,204,795.05	HTM	T. Bill	Lien for Capital
BD0936404211	27-Jul-20	100,000,000.00	26-Jul-21	95,042,900.00	5.23%	97,194,608.24	HTM	T. Bill	Lien for Capital
BD0936406216	10-Aug-20	150,000,000.00	9-Aug-21	142,862,250.00	5.01%	145,685,975.27	HTM	T. Bill	Kept as SLR
BD0936406216	10-Aug-20	150,000,000.00	9-Aug-21	142,835,100.00	5.03%	145,669,565.93	HTM	T. Bill	Kept as SLR
BD0936406216	10-Aug-20	150,000,000.00	9-Aug-21	142,821,450.00	5.04%	145,661,315.93	HTM	T. Bill	Kept as SLR
BD0936406216	10-Aug-20	130,000,000.00	9-Aug-21	123,743,360.00	5.07%	126,218,514.29	HTM	T. Bill	Kept as SLR
BD0918207210	17-Aug-20	150,000,000.00	15-Feb-21	146,429,550.00	4.89%	149,117,196.43	HTM	T. Bill	Kept as SLR
BD0918207210	17-Aug-20	100,000,000.00	15-Feb-21	97,605,500.00	4.92%	99,407,953.30	HTM	T. Bill	Kept as SLR
BD0918207210	17-Aug-20	100,000,000.00	15-Feb-21	97,596,000.00	4.94%	99,405,604.40	HTM	T. Bill	Kept as SLR
BD0918209216	7-Sep-20	140,000,000.00	8-Mar-21	137,477,340.00	3.68%	139,085,189.23	HTM	T. Bill	Lien for Capital
BD0918209216	7-Sep-20	100,000,000.00	8-Mar-21	98,174,100.00	3.73%	99,337,860.44	HTM	T. Bill	Lien for Capital
BD0936414210	19-Oct-20	150,000,000.00	18-Oct-21	146,622,300.00	2.31%	147,308,975.27	HTM	T. Bill	Kept as SLR
BD0936414210	19-Oct-20	140,000,000.00	18-Oct-21	136,820,740.00	2.33%	137,467,073.08	HTM	T. Bill	Kept as SLR
BD0936414210	19-Oct-20	150,000,000.00	18-Oct-21	146,693,850.00	2.26%	147,365,979.40	HTM	T. Bill	Kept as SLR
BD0936414210	19-Oct-20	150,000,000.00	18-Oct-21	146,665,200.00	2.28%	147,343,153.85	HTM	T. Bill	Kept as SLR
BD0936416215	2-Nov-20	90,000,000.00	1-Nov-21	87,665,760.00	2.67%	88,050,524.84	HTM	T. Bill	Lien for Capital
BD0936416215	2-Nov-20	150,000,000.00	1-Nov-21	146,081,250.00	2.69%	146,727,197.80	HTM	T. Bill	Lien for Capital
BD0936416215	2-Nov-20	150,000,000.00	1-Nov-21	146,052,750.00	2.71%	146,703,395.60	HTM	T. Bill	Lien for Capital
BD0936416215	2-Nov-20	100,000,000.00	1-Nov-21	97,349,600.00	2.73%	97,786,479.12	HTM	T. Bill	Lien for Capital
BD0936416215	2-Nov-20	100,000,000.00	1-Nov-21	97,340,200.00	2.74%	97,778,628.57	HTM	T. Bill	Lien for Capital
BD0922121027	4-Nov-20	150,000,000.00	7-Oct-22	148,896,900.00	3.64%	149,408,039.32	HTM	T. Bond	Lien for Capital
BD0922121027	4-Nov-20	150,000,000.00	7-Oct-22	148,760,250.00	3.64%	149,282,679.49	HTM	T. Bond	Lien for Capital
BD0936418211	16-Nov-20	150,000,000.00	15-Nov-21	145,487,700.00	3.11%	146,057,935.71	HTM	T. Bill	Kept as SLR
BD0936418211	16-Nov-20	150,000,000.00	15-Nov-21	145,473,600.00	3.12%	146,045,617.58	HTM	T. Bill	Kept as SLR
BD0936418211	16-Nov-20	100,000,000.00	15-Nov-21	96,963,700.00	3.14%	97,347,408.24	HTM	T. Bill	Kept as SLR
	14-Dec-05	2,000,000.00		2,000,000.00		2,000,000.00			CDBL
	14-Oct-10	1,138,890.00		1,138,890.00		1,138,890.00			CDBL
Total		7,757,838,890.00		7,646,328,850.82		7,710,320,888.19			

Break down for FS

Fund Deposited with BB
Central Depository Bangladesh Limited (CDBL)
Prize Bond

Amount
7,707,181,998.19
3,138,890.00
16,500.00
7,710,337,388.19

State Bank of India
Bangladesh Operations
Statement of write off loans
As on 31 December 2020

Account holder name	Write off date on account of charge offs	Write off amount on B/L	Suit file date
Deepa Trading Corporation	3/30/2014	6,663,781	1/13/2013
S. Co. Steel Limited	3/30/2014	122,585,483	1/28/2008
Swan Textile Mills Limited	12/15/2001	1,592,131	8/16/2001
S.A. Trading & Export	3/30/2014	3,706,724	7/26/2009
Shamema Alim	8/11/2015	1,877,115	2/26/2008
Nexus Communication & Power Solution	12/14/2015	913,647	4/15/2014
Mostafa Corporation Limited.	12/22/2015	185,818,385	10/22/2013
T.J. International Limited	12/22/2015	82,895,859	11/25/2013
SR Corporation	12/22/2015	19,589,154	12/1/2013
Hallmark Apparels Ltd	3/31/2016	24,143,661	10/1/2012
Clewiston Trading Ltd	3/31/2016	176,253,590	5/18/2014
Nahar Trading Corporation Ltd	3/31/2016	154,937,316	7/24/2014
Al-Amin Bread & Biscuits Ltd.	3/31/2016	7,648,689	12/1/2013
Saimon Enterprise	3/31/2016	23,011,401	5/28/2012
Maya Rubber and Plastic Industries	3/28/2017	637,938	1/10/2017
M/S Motiur Rahman Khan	6/28/2017	27,513,654	5/22/2014
Mujibur Rahman	6/28/2017	4,821,044	9/29/2016
Dr Rahid Nazrul Islam	6/28/2017	11,279,198	1/31/2017
United Airways (BD) Ltd.	12/28/2017	253,922,593	1/25/2017
Pioneer Builders Ltd.	11/26/2019	15,680,699	11/27/2013
Halda Enterprise Ltd(HEL)	12/10/2018	39,090,976	6/28/2016
Six Season Food and Beverage Ltd	11/26/2019	58,169,953	11/15/2017
Khalilur Rahman	8/9/2020	1,254,053	10/14/2019
Total		<u>1,224,007,045</u>	

State Bank of India
Bangladesh Operations
Highlights on the overall Activities
For the year ended 31 December 2020

(Figures in Taka)

Sl. #	Particulars	2020	2019
1	Paid-up capital/Fund deposit with Bangladesh Bank	7,707,181,998	8,613,826,631
2	Capital surplus/(deficit)	8,834,217,949	7,735,123,298
3	Total assets	47,485,544,585	46,261,767,115
4	Total deposits	9,548,817,824	8,595,192,664
5	Total Borrowings	23,733,556,000	24,245,171,500
6	Total loans & advances	30,879,251,657	31,478,558,963
7	Total contingent liabilities & commitments	27,861,286,687	29,493,464,755
8	Credit deposit ratio (Loans & advances/Deposits including OBU)	92.78%	95.85%
9	Percentage of classified loans against total loans & advances	0.41%	1.40%
10	Profit after tax & provisions	1,001,368,665	1,567,662,314
11	Amount of classified loans during the current year	127,727,961	439,445,463
12	Provision kept against classified loans	103,612,917	91,099,783
13	Provisions surplus/(deficit)	138,743,542	55,457,185
14	Provision Coverage Ratio(%)	81.12%	20.73%
15	Cost of fund	3.92%	3.81%
16	Interest earning other assets	-	-
17	Non-Interest earning other assets	764,500,706	853,421,166
18	Return on Investment (ROI) [Int. Income from Investment/Total Investment]	6.29%	5.08%
19	Return on assets (ROA) [PAT/Average assets]	3.49%	3.14%
20	Return on Equity (ROE) [PAT/Average shareholders equity]	8.15%	13.88%
21	Income from investments	735,808,657	529,409,553
22	Cash reserve requirement (CRR) maintenance (%)	11.74%	5.53%
23	Statutory Liquidity Reserve maintenance (%)	33.00%	295.28%
24	Capital Adequacy Ratio (%)	66.38%	61.05%
25	Weighted average earning per share	Not Applicable	Not Applicable
26	Net income per share [(PAT-Dividend on preference share/No. of Ordinary Shares)]	Not Applicable	Not Applicable
27	Price earning ratio (Market price per share/EPS)	Not Applicable	Not Applicable
28	Net Asset Value per Share (NAV) [(Shareholders equity- Preference Share)/No. of Ordinary Share]	Not Applicable	Not Applicable