

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।"

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।"

"Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions."

## PUBLIC ISSUE OF 100,000,000 ORDINARY SHARES

Issue Date of the Prospectus: 07 June, 2021

OFFER PRICE BDT 10.00 PER SHARE, TOTAL SIZE OF FUND TO BE RAISED BDT 1,000,000,000.00

**Opening and closing date of subscription:**

Opening Date of Subscription: 05 July, 2021

Closing Date of Subscription: 11 July, 2021

## PROSPECTUS

### Issuer



South Bangla Agriculture & Commerce Bank Limited

### Issue Manager



ICB Capital Management Limited

### CREDIT RATING STATUS

Credit Rating Status	Long Term	Short Term
Entity Rating	A3	ST-2
Date of Rating	27 September 2020	
Validity of Rating	30 June 2021	
Outlook	Stable	
Rated By	Credit Rating Agency of Bangladesh Limited (CRAB)	

**(a) Preliminary Information and Declarations:**

**(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable**

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
<b>Issuer</b>		
<b>South Bangla Agriculture &amp; Commerce Bank Ltd.</b> BSC Tower (5th - 16th Floor) 2-3, Rajuk Avenue, Motijheel Dhaka-1000.	<b>Phone:</b> (02) 9577207-11, EXT-205 <b>Fax:</b> +88(02)9577212 <b>Email:</b> cs@sbacbank.com <b>Website:</b> <a href="http://www.sbacbank.com">www.sbacbank.com</a>	<b>Md. Mokaddess Ali ACS</b> SVP & Company Secretary
<b>Issue Manager</b>		
<b>ICB Capital Management Ltd.</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor) 89, Kakrail, Dhaka-1000.	Tel: +88-02-8300555 Fax: +88-02-8300396 <b>E-mail:</b> icmlbd@gmail.com <b>Website:</b> <a href="http://www.icml.com.bd">www.icml.com.bd</a>	<b>Shukla Das</b> Chief Executive Officer
<b>Underwriters</b>		
<b>ICB Capital Management Ltd.</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor) 89 Kakrail, Dhaka-1000.	Tel: +88-02-8300555 Fax: +88-02-8300396 <b>E-mail:</b> <a href="mailto:icmlbd@gmail.com">icmlbd@gmail.com</a> <b>Web:</b> <a href="http://www.icml.com.bd">www.icml.com.bd</a>	<b>Shukla Das</b> Chief Executive Officer
<b>LankaBangla Investments Ltd.</b> Assurance Nazir Tower, Level-06 65/B, Kamal Ataturk Avenue Banani, Dhaka-1213.	Tel: 55034853-5 Fax: 55034853 e-mail: <a href="mailto:info@lankabangla-investments.com">info@lankabangla-investments.com</a> <b>Web:</b> <a href="http://www.lankabangla-investment.com">www.lankabangla-investment.com</a>	<b>Iftekhar Alam</b> Chief Executive Officer
<b>Prime Finance Capital Management Ltd.</b> PFI Tower (7th Floor), 56-57, Dilkusha C/A, Dhaka-1000.	Tel: +88 02 958 48 74 Fax: + 88 02 985 49 22 e-mail: <a href="mailto:info@primefincap.com">info@primefincap.com</a> <b>Web:</b> <a href="http://www.primefincap.com">www.primefincap.com</a>	<b>Md. Rajibul Islam</b> AVP, Issue Management
<b>MIDAS Investment Ltd.</b> Floor), House - #05, Road - 16 (New) 27 (old) Dhanmondi, Dhaka, 1209.	Phone : 09611221055, 9119371, Fax : 880-02-8142085 E-mail : <a href="mailto:info@midasinvbd.com">info@midasinvbd.com</a> <b>Web:</b> <a href="http://www.midasinvbd.com">www.midasinvbd.com</a>	<b>Mohammed Hafiz Uddin</b> Chief Executive Officer
<b>Rupali Investment Ltd.</b> Shadharan Bima Tower (7th Floor) 37/A, Dilkusha C/A, Dhaka-1000.	Phone:47112923 Fax: 88-02-47118073 E-mail: <a href="mailto:info@riltd.org">info@riltd.org</a> <b>Web:</b> <a href="http://www.riltd.org">www.riltd.org</a>	<b>Md. Harunur Rashid</b> Chief Executive Officer
<b>Uttara Finance Capital Management Ltd.</b> Jibon Bima Tower (6th Floor), 10 Dilkusha C/A, Dhaka-1000	Tel: +880-2-8170281-85 & 8142680 Fax: +880-2-8142679 Email: <a href="mailto:uttarafinancecapital@gmail.com">uttarafinancecapital@gmail.com</a> <b>Web:</b> <a href="http://www.uttarafinance-capitalmanagement.com">www.uttarafinance-capitalmanagement.com</a>	<b>Mohammad Shahinur Rahman</b> Managing Director
<b>Sonali Investment Ltd.</b> Borak Biz Center, 1st & 2nd Floor, 70 Dilkusha, Dhaka-1000	Tel: 9568777, 9556940 Email: <a href="mailto:sonaliinvestmentltd@gmail.com">sonaliinvestmentltd@gmail.com</a> <b>Web:</b> <a href="http://www.silbd.com">www.silbd.com</a>	<b>Md. Nurun Nabi</b> Chief Executive Officer
<b>MTB Capital Ltd.</b> MTB Tower (Level 3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka 1000.	Phone: +88(02) 8321760 Fax: +88(02) 8321543 E-mail: <a href="mailto:info.mtbcap@mutualtrustbank.com">info.mtbcap@mutualtrustbank.com</a> <b>Web:</b> <a href="http://www.mtbcap.com">www.mtbcap.com</a>	<b>Khairul Bashar Abu Taher</b> <b>Mohammed</b> Chief Executive Officer & SEVP
<b>Roots Investment Ltd.</b> Jibon Bima Tower (12 <sup>th</sup> Floor) 10, Dilkusha C/A, Dhaka-1000.	Phone: +880247120445 Fax: +880247120447 Email: <a href="mailto:info.rgcm@gmail.com">info.rgcm@gmail.com</a> <b>Web:</b> <a href="http://www.rootsinvestment.com">www.rootsinvestment.com</a>	<b>Mohammad Sarwar Hossain</b> Managing Director

<b>Auditor</b>		
<b>Hoda Vasi Chowdhury &amp; Co</b> BTMC Bhaban (7 <sup>th</sup> & 8 <sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215	<b>Telephone :</b> +880 (2) 9120090 <b>Fax :</b> +880 (2) 8119292 <b>E-mail:</b> <a href="mailto:hasib@hodavasi.com">hasib@hodavasi.com</a> <b>Website:</b> <a href="http://www.hodavasi.com">www.hodavasi.com</a>	<b>Shaikh Hasibur Rahman , FCA</b> Mobile No: 01716706273

ii. Declaration:

“A person interested to get a prospectus may obtain from the issuer and the issue manager.”

iii. “If you have any query about this document, you may consult the issuer, issue manager and underwriter”

**(iv) “CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY).”**

**(v) Risks in relation to the First Issue**

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. [10] i.e. '[1] times' of the face value. The issue price has been determined and justified by the issuer and the issue manager or bidding by the eligible investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

**(vi) General Risk**

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 355-366

**(vii) South Bangla Agriculture & Commerce Bank Limited's Absolute Responsibility**

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this red-herring prospectus or prospectus or information memorandum contains all material information with regard to the issuer and the issue, that the information contained in the red-herring prospectus or prospectus or information memorandum are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

**(b) Availability of Prospectus:**

**(i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;**

The prospectus of South Bangla Agriculture & Commerce Bank Limited is available in hard and soft forms at the following addresses:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
<b>Issuer</b>		
<b>South Bangla Agriculture &amp; Commerce Bank Limited</b> BSC Tower, (5th - 16th Floor) 2-3 Rajuk Avenue Motijheel, Dhaka-1000.	<b>Phone:</b> (02) 9577207-11, EXT-205 <b>Email:</b> cs@sbacbank.com <b>Website:</b> www.sbacbank.com	<b>Md. Mokaddess Ali ACS</b> SVP & Company Secretary
<b>Issue Manager</b>		
<b>ICB Capital Management Ltd</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor) 89, Kakrail, Dhaka-1000.	<b>Tel:</b> +88-02-8300555 <b>Fax:</b> +88-02-8300396 <b>Email:</b> icmlbd@gmail.com <b>Website:</b> www.icml.com.bd	<b>Shukla Das</b> Chief Executive Officer
<b>Stock Exchanges</b>		
<b>Dhaka Stock Exchange Limited</b> DSE-Tower, Plot#46, road#21 Nikunja-2, Dhaka-1229.	<b>Tel:</b> 02-9564601, 9576210-18 <b>Fax:</b> +880-2-9564727. +880-2-9569755 <b>Email:</b> rabiul@dsebd.org <b>Web:</b> www.dsebd.org	<b>Md. Rabiul Islam</b> Senior Manager Listing Affairs
<b>Chittagong Stock Exchange Limited</b> CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	<b>Tel:</b> 031-720871-3, 714632-3 <b>Fax:</b> 031-714101 <b>Email:</b> monir@cse.com.bd <b>Web:</b> www.cse.com.bd	<b>Mohammad Monirul Haque</b> Deputy General Manager Head of Listing

Prospectus would also be available on the web sites of BSEC ([www.sec.gov.bd](http://www.sec.gov.bd)), DSE ([www.dsebd.org](http://www.dsebd.org)), CSE ([www.cse.com.bd](http://www.cse.com.bd)) & the issue manager ([www.icml.com.bd](http://www.icml.com.bd)) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

**(ii) Names and dates of the newspapers where abridged version of prospectus was published:**

Names and dates of the newspapers where abridged version of prospectus was published:

Sl.	Name of the newspaper	Date of publication
1	SAMAKAL (Bangla)	07-06-2021
2	ShareBiz (Bangla)	07-06-2021
3	The Daily Star (English)	07-06-2021
4	Dhaka Tribune (English)	07-06-2021

### iii) Definitions and Acronyms or Elaborations:

A		L	
AGM	Annual General Meeting	LT	Long Term
ACS	Associate Chartared Secretary	M	
B		MN	Millions
BAS	Bangladesh Accounting Standards	MNCs	Multinational companies
BB	Bangladesh Bank	MWH	Megawatt Hours
BDT	Bangladeshi Taka	N	
BO	Beneficial Owners	NAV	Net Asset Value
BODs	Board of Directors	NBFIs	Non Banking Financial Institutions
BSEC	Bangladesh Securities and Exchange Commission	P	
BV	Book Value	P/E ratio	Price earnings ratio
C		PBT	Profit before tax
CAGR	Compound Annual Growth Rate	PCBs	Private Commercial Banks
CC	Current Charge	R	
CDBL	Central Depository Bangladesh Ltd.	R&D	Research and Development
CIB	Credit Information Bureau	ROAA	Return on Average Assets After Tax
CMA	Cost & Management Accountant	ROAE	Return on Average Equity After Tax
CRAR	Capital to Risk (Weighted) Asset Ratio	ROE	Return on Equity
CRAB	Credit Rating Agency Bangladesh.	RRR	Required Rate of Return
D		S	
DSE	Dhaka Stock Exchange	SBAC	South Bangla Agriculture & Commercial Bank Ltd
E		SCBs	State Owned Commercial Banks
EII	Eligible Institutional Investor	T	
EBITDA	Earnings Before Tax, Interest, Depreciation and Amortization	TK	Taka
F		U	
FC	Foreign Currency	UAE	United Arab Emirates
FCBs	Foreign Commercial Banks	USD	US dollars
G		V	
GBP	Great Britain Pound	VAT	Value added tax
H			
HR	Human Resource		
I			
ICML	ICB Capital Management Limited		

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	(i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include: - a) Projected financial statements up to the year of commercial operation; b) Rationale behind the projection; c) Any expected significant changes in the issuer's policy or business strategies; d) Detail plan of capital investment with break-up; e) Summary of feasibility report, etc.	146
	(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:	146
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	(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;	148
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	(l) The estimated amount, where applicable, of future capital expenditure;	151
	(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;	152
	(k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;	153
	(l) Details of all personnel related schemes for which the company has to make provision for in future years;	154
	(m) Break down of all expenses related to the public issue;	155
	(n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison	156

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		between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;	
	(o)	Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;	156
	(p)	<p>Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:</p> <ol style="list-style-type: none"> <li>1) Date of Incorporation;</li> <li>2) Nature of Business;</li> <li>3) Equity Capital;</li> <li>4) Reserves;</li> <li>5) Sales;</li> <li>6) Profit after tax;</li> <li>7) Earnings per share and Diluted Earnings Per Share;</li> <li>8) Net Asset Value;</li> <li>9) The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange;</li> <li>10) Information regarding significant adverse factors relating to the group;</li> <li>11) Any of the group companies has become sick or is under winding up;</li> <li>12) The related business transactions within the group and their significance on the financial performance of the issuer;</li> <li>13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions;</li> </ol>	156
	(q)	Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;	156

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	(u)	<p><b>Discussion on the results of operations shall inter-alia contain the following:</b></p> <p>(1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;</p> <p>(2) A summary of major items of income and expenditure;</p> <p>(3) The income and sales on account of major products or services;</p> <p>(4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;</p> <p>(5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;</p> <p>(6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.</p>	161
	(v)	<p>Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:</p> <p>(1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.</p> <p>(2) Significant economic changes that materially affect or are likely to affect income from continuing operations;</p> <p>(3) Known trends or uncertainties that have had or are</p>	163

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		<p>expected to have a material adverse impact on sales, revenue or income from continuing operations;</p> <p>(4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;</p> <p>(5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;</p> <p>(6) Total turnover of each major industry segment in which the issuer operated;</p> <p>(7) Status of any publicly announced new products or business segment;</p> <p>(8) The extent to which the business is seasonal.</p>	
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	(cc)	If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;	171
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(b)	Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;	231
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	(b) To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information;	
	(c) While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence;	
	(d) The issue manager(s) shall, among others, consider the following methods for valuation of the securities: <ul style="list-style-type: none"> <li>i. net asset value at historical or current costs;</li> <li>ii. earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation;</li> <li>iii. projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation;</li> <li>iv. average market price per share of similar stocks for the last one</li> </ul>	

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	(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;	373
(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;	373	

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	(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;	374
	(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;	
	(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;	
	(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented	
	(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;	
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## SECTION (I)

# EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

### (a) About the industry:

The financial system of Bangladesh is comprised of three broad fragmented sectors as Formal Sector, Semi-Formal Sector and Informal Sector. The sectors have been categorized in accordance with their degree of regulation.

The **formal sector** includes all regulated institutions like Banks, Non-Bank Financial Institutions (NBFIs), Insurance Companies, Capital Market Intermediaries like Brokerage Houses, Merchant Banks etc.; Micro Finance Institutions (MFIs).

The semi-formal sector includes some specialized financial institutions which do not fall under the jurisdiction of various financial sector regulators, they are regulated by their own acts under different ministries of the Government, e.g. Bangladesh House Building Finance Corporation (BHBFC), Bangladesh Samabay Bank Limited (BSBL), Investment Corporation of Bangladesh (ICB), Palli Karma Sahayak Foundation (PKSF), Grameen Bank, Non-governmental Organizations (NGOs), different Co-operatives & credit unions and discrete government programs.

The informal sector is comprised of private intermediaries that are completely unregulated.

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercial banks, 3 State owned specialized banks and 9 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:

**Scheduled Banks:** The banks that remain in the list of banks maintained under the Bangladesh bank order, 1972.

**Non-Scheduled Banks:** The banks which are established for special and definite objective and operate under any act but are not scheduled banks. these banks cannot perform all functions of scheduled banks.

There are **60 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank and which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

1. State Owned Commercial Banks (SOCBs): There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
2. Specialized Banks (SDBs): **3 specialized banks** are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.
3. Private Commercial Banks (PCBs): There are **42 private commercial banks** which are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:
4. Conventional PCBs: **34 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
5. Islami Shariah based PCBs: There are **8 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.
6. Foreign Commercial Banks (FCBs): **9 FCBs** are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

The banking system in Bangladesh appeared to be mostly resilient in 2019. A modest asset growth primarily supported by considerable growth in deposit observed during the review year where this sector experienced a pickup in asset growth and profitability in April to June 2020. The indicator of the banking sector also showed some improvements at the end of Q1FY21 amid COVID-19 pandemic, as reflected by a fall in non-performing loans (NPLs), a rise in capital adequacy, an improvement in

liquidity condition and betterment of provision maintaining. During Q1FY21, overall NPL edged down facilitated by both SCBs and PCBs.

The overall NPL ratio of the banking industry reduced to 8.88 percent in Q1FY21 from 9.10 percent in Q4FY20. The Gross NPL ratio for PCBs stood at 5.56 percent in Q1FY21, declined by 0.30 percentage points from preceding quarter.

The banking sector recorded a notable asset growth in 2019 backed by a significant rise in deposit growth. Moreover, deposit growth surpassed the loan growth. Private commercial banks (PCBs) held the major portion of earning assets of the industry, which might enhance banking sector stability through better management of their asset quality. The overall capitalization in this sector edged up and remained stable at the end of Q1FY21 owing to the improvement in NPLs and provisioning maintained.

The growth of bank deposits rose from 10.5 percent at the end of Q4FY20 to 12.4 percent (from BDT 13,054.73 billion to BDT 13,454.36 billion) at the end of Q1FY21 amid COVID-19 pandemic, reflecting higher remittance inflows. However, even with higher deposit growth, the loan growth of only 11.9 percent suggests a cautious stance by banks. The deposit growth, aided by accelerated remittance inflow and various other policy initiatives, outpaced loan growth, which eased the liquidity scenario and provided the required stability to the banking sector's deposit base.

The asset quality of the banking sector improved during the latter part of 2019 primarily due to the restructuring of loans under a new policy aimed at reducing debt-service burden of good borrowers. Despite the recent improvement, the proper monitoring of rescheduled loans amid the COVID-19 pandemic remains a critical challenge for the banking industry.

The banking sector also demonstrated a moderate increase in net profit after taxes during the review year. Both, capital to risk-weighted assets ratio (CRAR) and Tier-1 capital ratio of the banking industry increased in 2019.

Source: <https://www.bb.org.bd/pub/quarterly/bbquarterly/july-sept2020/bbquarterly.php>  
<https://www.bb.org.bd/pub/publicitn.php>

**(b) About the Issuer:**

<b>Incorporation</b>	South Bangla Agriculture & Commerce Bank Limited Incorporated (Inc no.C -107546/13) on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 (Act No.18 of 1994) and also is operated under the Banking Companies Act 1991 (Amendment upto 2018).
<b>Converted Public Limited Company</b>	Incorporated as a Public Limited Company
<b>Commencement of Commercial Operation</b>	20 February 2013
<b>Registered &amp; Head Office</b>	BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000.
<b>Branches</b>	83
<b>Nature of Business</b>	Banking service is the nature of business of the SBAC bank. South Bangla Agriculture & Commerce Bank Ltd. is a Scheduled Private Commercial Bank licensed under banking Companies Act 1991 (amended up to 2018). The principal activities of the Bank are to provide a comprehensive range of financial services; personal and commercial Banking, trade services, cash management, treasury operation, security and custody services.
<b>Background of the Company</b>	South Bangla Agrculture & Commerce Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability by shares as on February 20, 2013 under the Companies Act, 1994 to carry out banking business. It obtained license from Bangladesh Bank for carrying out banking business on March 25, 2013 under Bank Company Act, 1991. The bank has been carrying out its business through its Eighty Three (83) branches and eleven (11) sub-branches all over Bangladesh. The Corporate office of the Bank is at BSC tower, 2-3, Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh.

**(c) Financial Information:**

Major financial information of SBAC Bank is as follows:

(Taka in crore)

Sl. No.	Particulars	30 Sep 20 (9 Months)	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Interest Income	463.81	735.73	642.04	476.49	384.40	286.11
2	Interest Expense	(371.99)	(484.73)	(386.92)	(280.25)	(230.73)	(204.98)
3	<b>Net Interest Income</b>	<b>91.82</b>	<b>251.00</b>	<b>255.12</b>	<b>196.24</b>	<b>153.66</b>	<b>81.13</b>
4	Investment Income	139.99	121.75	91.75	100.68	114.36	83.32
5	Commission, exchange and brokerage	30.72	50.44	44.32	41.90	21.30	13.81
6	Other operating income	7.02	12.08	9.20	8.79	6.81	4.89
7	<b>Total Operating Income</b>	<b>269.55</b>	<b>435.27</b>	<b>400.39</b>	<b>347.61</b>	<b>296.13</b>	<b>183.14</b>
8	<b>Total Operating Expenses</b>	<b>163.28</b>	<b>(208.35)</b>	<b>(197.01)</b>	<b>(165.69)</b>	<b>(144.15)</b>	<b>(102.55)</b>
9	<b>Operating Profit (Profit before Provision)</b>	<b>106.28</b>	<b>226.92</b>	<b>203.38</b>	<b>181.93</b>	<b>151.99</b>	<b>80.59</b>
10	Total Profit before Tax	97.27	176.44	164.12	151.79	144.59	72.73
11	Net Profit after Tax	64.58	96.76	87.96	98.20	94.95	35.80
12	Total loans and Advances	5,791.74	5,600.07	5,025.49	4,328.50	3,017.41	2,312.83
13	Total Deposit	6753.55	7154.02	5930.43	5012.15	3833.72	3077.54
14	Total paid up capital	684.64	622.41	565.82	498.52	433.50	408.96
15	Total Equity	902.60	836.30	742.97	653.90	561.63	488.02

(In Taka)

16	Net Asset Value per share (NAV)	13.18	13.44	11.94	13.12	12.96	11.93
17	Earning Per Share (EPS)	0.94	1.55	1.41	1.74	1.90	0.83

**(d) Features of the issue and its objects:**

<b>Issuer Name</b>	South Bangla Agriculture & Commerce Bank Ltd.
<b>Offer Price (Tk.)</b>	BDT 10.00
<b>Number of Shares</b>	100,000,000
<b>Shares Offer Size (Tk.)</b>	BDT 1,000,000,000.00
<b>Purpose of Raising Fund</b>	Please see details in the Section (XXII) as titled of “Use of proceeds” of this prospectus
<b>Date of Implementation</b>	Within 3 (Three) months from receiving of IPO fund.

\* Bangladesh Bank has given permission to SBAC Bank Ltd. through its consent letter (□□□□□□□□□□ (□□-

৩)৭৪৫(৬৮)১০২০-১০১৩১) to raise Tk. 100.00 crore through Initial Public Offering (IPO).

**(e) Legal and other Information:**

SL	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
1	Certificate of Incorporation	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107546/13	N/A
2	Commencement of Business	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107546/13	N/A
3	Trade License	Dhaka South City Corporation	TRAD/DSCC/274068/2019	2021
4	TIN Certificate	National Board of Revenue, Taxes Circle LTU (Tax), Large Taxpayers Unit (Tax), Dhaka	166085152182	N/A
5	VAT Certificate	National Board of Revenue, Motijheel Division	000060296-0202	N/A
6	Banking License	Bangladesh Bank	BRPD (P-3)/744(93)/2013-1378	N/A
7	Agent Banking License	Bangladesh Bank	BRPD(P-3)/745(68)/2014-4858	N/A
8	AD (Authorized Dealer) License	Bangladesh Bank	FEPD(LDA)Misc./141/2013-679; FEPD(LDA)Misc./141/2013-680	N/A
9	Islami Banking License	Bangladesh Bank	BRPD(P-3)/745(68)/2020-5530; Licence on Islami Bank window.	N/A
10	Offshor Banking	Bangladesh Bank	BRPD(OB)/744(127)/2020-5140	N/A

**(f) Promoters' background:**

At the time of incorporation following persons were the subscribers to the memorandum:

SL	Name of the Promoters	Present Status
1.	Mr. S. M. Amzad Hossain	Chairman
2.	Begum Sufia Amjad	Director
3.	Miss Tajori	Sponsor Shareholder
4.	Mr. Abu Zafar Mohammod Shofiuddin	Director
5.	Mr. Abdul Kadir Molla	Director
6.	Mr. Md. Moklesur Rahman	Director
7.	Mr. Md. Amzad Hossain	Sponsor Shareholder
8.	Al-Haj Mizanur Rahman	Director
9.	Captain M. Moazzam Hossain	Director
10.	Mr. Motiur Rahman	Sponsor Shareholder
11.	Ms. Kamrun Nahar	Director
12.	Ms. Mysha Khabir	Sponsor Shareholder
13.	Mrs. Sanawar Bano	Sponsor shareholders
14.	Mr. Iqbal Haider Chowdhury	Sponsor Shareholder
15.	Mr. Mohammed Nazrul Islam	Sponsor Shareholder
16.	Mr. A.K. Mizanur Rahman, FCA	Sponsor Shareholder
17.	Mr. Mainul Huq Khan	Sponsor Shareholder
18.	Mr. Mozaharul Haque Shahid	Sponsor Shareholder
19.	Mr. Md. Emdadul Haque	Sponsor Shareholder
20.	Mr. Md. Eathashamul Haque	Sponsor Shareholder
21.	Mr. Kafil Uddin Bhuiyan	Sponsor Shareholder
22.	Mr. Hafizur Rahman Babu	Director
23.	Mr. Shahab Uddin Khan	Sponsor Shareholder
24.	Abdul Gaffar & Co. Pvt. Ltd.	Sponsor Shareholder
25.	Mr. Anwar Hussain	Director
26.	Mr. Mohammad Imran	Sponsor Shareholder
27.	Mrs. Tahmina Afroz	Director
28.	Mrs. Shamima Hossain	Sponsor Shareholder
29.	Haji Shakhawat Anwara Eye Hospital Ltd.	Director
30.	Mr. Sk. Shyedujjaman	Director (Nominated by Moonstar Ceramic Industries Ltd.)
31.	Farjana Farhad	Sponsor Shareholder
32.	Mr. Talukder Abdul Khaleque	Independent Director
33.	Mr. Mrinal Kanti Debnath	Ex-Shareholder
34.	Mr. Sujit Kumar Saha	Ex-Shareholder
35.	Mr. Khan Habibur Rahman	Sponsor Shareholder
36.	Ms. Sadnam Sadiana	Sponsor Shareholder
37.	Mr. S. M. Alamgir	Sponsor Shareholder
38.	Mr. S. M. Jahangir	Sponsor Shareholder
39.	Ms. Halima Khatun	Sponsor Shareholder
40.	Mr. Amit Ganguly Pallab	Ex-Shareholder
41.	Mr. Goutam Kumar Kundu	Ex-Shareholder
42.	Mr. Md. Rezaul Haque	Ex-Shareholder
43.	Mr. Imtiaz Ahmed	Ex-Shareholder
44.	Mr. Maksudur Rahman	Sponsor Shareholder
45.	Mr. Md. Mizanur Rahman	Sponsor Shareholder
46.	Ms. Shamsun Nahar Rahman	Sponsor Shareholder

SL	Name of the Promoters	Present Status
47.	Mr. Mohammed Ilias	Sponsor Shareholder
48.	Mr. Mohammed Ayub	Sponsor Shareholder
49.	Mr. Muhammad Mohsin	Ex-Shareholder
50.	M/S. Contech Construction Ltd.)	Sponsor Shareholder
51.	Mr. Ayaz Waris Khan Warisi	Sponsor Shareholder
52.	Mr. Mohammad Abdul Hye	Sponsor Shareholder

**Brief profiles of all the promoters are given below:**

**Mr. S.M. Amzad Hossain**

Mr. S. M. Amzad Hossain, an eminent business personage of the country, has been elected Chairman of the first Board of Directors of South Bangla Agriculture and Commerce Bank Limited on February 20, 2013 and subsequently reappointed for a further period of three years on 10 February 2019. Mr. Hossain traversed a long path of business which for himself ramified into trade and other parts of commerce. As a philanthropist, Mr. Hossain has established several schools, colleges, mosques and other socio-religious institutions.

**Begum Sufia Amjad**

Begum Sufia Amjad is one of the Sponsor Directors of South Bangla Agriculture & Commerce Bank Limited. She is also associated with several business firms of Lockpur Group. She is a successful entrepreneur in frozen fish industry. Begum Sufia Amjad, wife of Mr. S. M. Amzad Hossain has a remarkable contribution in socio economic activities in her local area.

**Miss Tajori**

Miss Tajori is a young and energetic business woman who has spent a significant period of time in New York for her academic purpose. She has come from a widely renowned industrialist family of khulna. Being a fresh blood in today's challenging business world she is determined to overcome the obstacles and motivated her mind to reach the goals.

**Mr. Abu Zafar Mohammad Shofiuddin**

Mr. Abu Zafar Mohammad Shofiuddin is one of the Sponsor Directors of South Bangla Agriculture and Commerce Bank Limited. He is a prominent business personality in the country. He obtained B.Com (Hons.) and M.Com (Marketing) degree from University of Dhaka in 1991 & 1992 respectively. He has started his business in 1992 and established SQ Group of Companies.

**Mr. Abdul Kadir Molla**

Mr. Abdul Kadir Molla is one of the Sponsor Directors of the Bank. He obtained his MBA degree from American World University. Mr. Molla is one of the successful ones having huge conglomerates in the spinning, dyeing and knitting industries. He visited most of the countries in the world. He has a good reputation in overseas business.

**Engr. Md. Moklesur Rahman**

Engineer Mohammad Moklesur Rahman is one of the visionary industrialists in Bangladesh. He is one of the founding sponsor directors of South Bangla Agriculture & Commerce Bank Limited. He obtained his B.Sc. Civil Engineering degree from Chittagong University of Engineering and Technology (former Chittagong Engineering College), one of the top universities in Bangladesh. He has always been a dreamer and wanted to run his own business since the early age, after gaining experience while working in Gemcon Group. On 29 May, 2001, he started Contech Construction Ltd. one of the most highly respected SPC Piles & Poles suppliers in Bangladesh.

**Mr. Md. Amzad Hossain**

Mr. Md. Amzad Hossain is an ex-shareholder & director of the Bank. He started his career in banking as Probationary Officer in Pubali Bank Ltd. in the 1975. Thereafter, he joined Bangladesh Commerce Bank Limited at Higher Position of the said Bank with diversified responsibilities.

**Al-haj Mizanur Rahman**

Al-haj Mizanur Rahman is one of the Sponsor Directors of the Bank. Mr. Rahman is a prominent business personage having huge conglomerates in the Real estate, Construction, Housing and Print media sector. Besides, he has involved himself in different socio economic activities.

**Captain M. Moazzam Hossain**

Captain Mohammed Moazzam Hossain, F.C.I.T., is a Sponsor Director of the Bank. He is also the Chairman of Risk Management Committee of the Board. He was born on 01 June 1961 in Bangladesh. He obtained his M.Sc. Degree from Bundeswehr University, Germany in 1986. He also qualified Master Class I from Australian Maritime Safety Authority and is a Fellow of Chartered Institute of Transport (FCIT), UK. His student life was full of brilliant academic achievements. He started his career in Bangladesh Navy as a Commissioned Officer in 1980 and later on joined Merchant Fleet and commanded ocean going large ships/vessels as Captain and continued till 1995. Mr. Hossain is a successful entrepreneur, industrialist and a Businessman of Bangladesh having diversified experience in the business of Bank, Financial Industries, Stock Brokerage and Investment Banking.

**Mr. Motiur Rahman**

Mr. Motiur Rahman is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. He is endowed with inborn qualities to be a successful entrepreneur, who has the courage as well as skill to take calculated risk and make strategic decisions accurately those are highly benefitting his concerns. He graduated from Govt. M M College in 1978. He is a prominent Businessman of the country having business conglomerate.

**Ms. Kamrun Nahar**

Ms. Kamrun Nahar is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. She is a successful Businesswoman. She has business interest in diversified fields such as Insurance, Aviation and Travel, Education, Medical Services, Construction etc. She is also a founder and patron of different socio-cultural organizations in the country.

**Ms. Mysha Khabir**

Ms. Mysha Khabir is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. She was born on 5<sup>th</sup> November, 1993 in Dhaka. Ms. Mysha completed the undergraduate program from Shaheed Bir Uttam Lt. Anwar Girls' college & MBBS degree from Holy Family Red Crescent Medical College. Then she started her career as a new business person through her involvement in trading business. She is the daughter of successful entrepreneur Mr. Motiur Rahman and Ms. Kamrun Nahar.

**Mrs. Sanawar Bano**

Mrs. Sanawar Bano was one of the Sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited, who died on June 07, 2020. She was a notable business person in the country.

**Mr. Iqbal Haider Chowdhury**

Mr. Iqbal Haider Chowdhury is one of the honourable sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. He was born on 15<sup>th</sup> August, 1963 in Noakhali. He has come

from a respectable and devoted Muslim family. Mr. Chowdhury had completed his under graduate program from Sonaimari College, Noakhali. He is a very courageous and challenge taking person. He is very charitable person also. Mr. Chowdhury is involved with number of socio-economic development activities.

**Mr. Mohammed Nazrul Islam**

Mr. Mohammed Nazrul Islam is one of the respected Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. He was born on 1<sup>st</sup> January, 1963 in Comilla. He completed his under graduation from Tejgaon College, Dhaka. He is always a dreamer and brave-hearted to embrace new challenges and opportunities as a dynamic businessperson.

**Mr. A.K. Mizanur Rahman, FCA**

Mr. A.K. Mizanur Rahman, FCA is one the honourable sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. He was born in Barisal. Mr. Rahman completed his graduation from Barisal Govt. B.M College. He is an exemplary personality in terms of practicing professionalism, accountability & ethics in day-to-day life. Mr. A.K. Mizanur Rahman is a prominent Chartered Accountant of the Country. He is a partner of Shafiq Mizan Rahman & Augustine, renowned Chartered Accountants firm in Bangladesh. Mr. Rahman is a fellow Member of the Institute of Chartered Accountants of Bangladesh. As a self made man, he is always a highly enthusiastic person to achieve newer milestones of success through his works.

**Padma Lamitube Ltd.**

Padma Lamitube Ltd. is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. It is a private limited company that was incorporated in Bangladesh on 21<sup>st</sup> September, 1998 under the Companies Act 1994 as a sister concern of Padma Group of Converters, one of the reputed industrial conglomerates.

**Mr. Mozaharul Haque Shahid**

Mr. Mozaharul Haque Shahid is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. He is from Jessore. He obtained his post-graduation degree in marketing from Atish Diponkar University of Science & Technology (ADUST). Mr. Haque is a well reputed and emerging business person whose goal is to bring newer innovations and dynamism in his company.

**Mr. Md. Emdadul Haque**

Mr. Md. Emdadul Haque is one of the respectable sponsor shareholders of South Bangla Agriculture & Commerce bank Ltd. He is a well emerging business person, highly praised for his diversified investment. He completed his post-graduation from Jessore Aminia Ali Madrasha in 1989. After finishing his graduation, he focused on his business. Mr. Haque is a self-made industrious person. He is involved in various business initiatives.

**Mr. Md. Eathashamul Haque**

Mr. Md. Eathashamul Haque is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. He was born in Jessore in a highly respectable muslim family. He achieved his graduation degree from Rima College, Malaysia in 2003. Mr. Md. Eathashamul Haque is a hardworking and renowned business person, who gave an exemplary effort at his early period of entrepreneurial development to become a successful business person. He has involved himself in different types of businesses.

**Mr. Kafil Uddin Bhuiyan**

Mr. Kafil Uddin Bhuiyan is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. He has come from a respectable Muslim family of feni. He obtained his post-graduation degree in Islamic History from Jagannath University in 1993-1994. Mr. Kafil Uddin Bhuiyan is a well-recognized business personality.

**Mr. Hafizur Rahman Babu**

Mr. Hafizur Rahman Babu is one of the prominent business persons and renowned entrepreneurs of the country. He is a sponsor director of South Bangla Agriculture & Commerce Bank Ltd.

**Mr. Shahab Uddin Khan**

Mr. Shahab Uddin Khan is one of the Sponsor Directors of the Bank. He has come from a respectable and devoted Muslim family of Noakhali. Mr. Shahab Uddin Khan was born on 27<sup>th</sup> of July 1956. He obtained his post-graduated Degree from Manchester, UK. He is a well reputed and emerging businessman of the country.

**Abdul Gaffar & Co. (Pvt.) Ltd.**

Abdul Gaffar & Co (Pvt.) Ltd. is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. Abdul Gaffar & Co. (Pvt) Ltd (AGCO) was established in 1971. It is in trading business for the last 40 years and since 1971 involved in selling all kinds of Industrial chemicals, Petrochemicals, and Thermo plastic moulding Compound, and Compressed Natural Gas (CNG).

**Mr. Anwar Hussain**

Mr. Anwar Hussain is one of the Sponsor Directors of the Bank. He is a young, well-reputed and emerging businessperson in the country. He has obtained Bachelor Degree in Business Administration. His goal is to bring in innovation and dynamism in his business.

**Mr. Mohammad Imran**

Mr. Mohammad Imran is a young and energetic Business personel. He is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. He was born on April 18. He obtained his post-graduation degree from Dalhousie, Canada in 2004 then he started his career as a businessman. His goal is to bring newer innovations and dimensions in business.

**Mrs. Tahmina Afroz**

Mrs. Tahmina Afroz is one of the Sponsor Directors of South Bangla Agriculture & Commerce Bank Limited. She obtained her B.Sc. degree from Dhaka University. She is a notable business person in the country particularly in the Health Care Sector.

**Mrs. Shamima Hossain**

Mrs. Shamima Hossain is a notable Businesswoman of the southern region. She is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. A unique entrepreneurial capacity full of courage and insight has always persuaded her to initiate business venture. She was born in khulna. She has a remarkable contribution in socio-economic activities in her area.

**Haji Shakhawat Anwara Eye Hospital Ltd.**

Haji Shakhawat Anwara Eye Hospital Ltd. is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. It is located in Eastern Commercial Complex, 73 Kakrail, Dhaka. It is a specialized eye hospital that renders services related to refractive error, cataract,

glaucoma, trauma, lacrimal surgery & medical strabismus. Mr. Sakhawat Hussain is the representative of Haji Shakhawat Anwara Eye Hospital Ltd. in the Bank.

**Mr. Sk. Shyedujjaman**

Mr. Sk. Shyedujjaman is one of the directors of South Bangla Agriculture & Commerce Bank Limited, nominated by Moonstar Ceramic Industries Ltd. He obtained BBA and MBA (Marketing) degree from AMC College, Bangalore in 2001 & 2003 respectively.

**Ms. Farjana Farhad**

Ms. Farjana Farhad is one of the Sponsor Shareholders of South Bangla Agriculture & Commerce Bank Limited. She has come from a reputed and devoted Muslim family of Khulna. She has emerged as a businesswoman in her area. Her contribution to the social-economic development through her involvement in different social programmes is noteworthy.

**Mr. Talukder Abdul Khaleque**

Mr. Talukder Abdul Khaleque is an Independent Director & the Vice-Chairman of South Bangla Agriculture & Commerce Bank Limited. Moreover, He is the Chairman of Executive Committee of the Board. He graduated from M M City College in 1974. Mr. Talukder Abdul Khaleque is the proprietor of M/S. Nahar Trading. He is a veteran politician of Bangladesh. Mr. Talukder is former State Minister. Presently, he is the Mayor of Khulna City Corporation.

**Mr. Mrinal Kanti Debnath**

Mr. Mrinal Kanti Debnath is an ex-shareholder & director of South Bangla Agriculture & Commerce Bank Limited. He was also a member of Audit Committee and Risk Management Committee of the Board. He obtained his B.Sc. degree from M M City College in 1977. Mr. Debnath has a long experience in the agro-based and frozen fish industries.

**Mr. Sujit Kumar Saha**

Mr. Sujit Kumar Saha is an ex-shareholder of South Bangla Agriculture & Commerce Bank Limited. He obtained his B.Sc. degree from P C College, Bagerhat in 1977. Mr. Saha is involved with various social welfare & cultural activities in his area.

**Mr. Khan Habibur Rahman**

Mr. Khan Habibur Rahman is an ex-shareholder & director of South Bangla Agriculture & Commerce Bank Limited. He acquired his Bachelor of Arts (B.A.) degree in the year 1975. Besides, he has involved himself with many social-cultural activities in his community also.

**Ms. Sadnam Sadiana**

Ms. Sadnam Sadiana is one of the respectable sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. She was born in Magura. She is an intelligent and energetic personality. She completed her post-graduation from Azam Khan Govt. Commerce College, Khulna in 2001. After her post graduation, she involved herself in business.

**Mr. S. M. Alamgir**

Mr. S. M. Alamgir was one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. He was born on January 27, 1953 in Khulna. He obtained his B.A. degree from Fakirhat College, Bagerhat in 1978. After completion of the academic education, he concentrated all his efforts towards entrepreneurial development. He has engaged himself with several business ventures. He has a remarkable contribution in socio-economic activities in his area.

**Mr. S. M. Jahangir**

Mr. S. M. Jahangir was one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. He has come from a respectable and devoted Muslim family of Khulna. Mr. Jahangir was born on 7<sup>th</sup> of July 1958. He has involved himself with so many social welfare activities in his area.

**Ms. Halima Khatun**

Ms. Halima Khatun is an ex-shareholder of South Bangla Agriculture & Commerce Bank Limited. She was born on 15<sup>th</sup> March, 1971 in Jhenaidah. She completed her post-graduation from University of Dhaka in 1995 in Sociology. Her student life was full of brilliant academic achievements. She is a successful businesswoman.

**Mr. Amit Ganguly Pallab**

Mr. Amit Ganguly Pallab is an ex-shareholder of South Bangla Agriculture & Commerce Bank Limited. He was born on 9<sup>th</sup> of November 1980 in Satkhira. He obtained his B.Com degree from Khan Bahadur Aha-san Ullah College, Satkhira in 1999. He is a prominent emerging business person.

**Mr. Goutam Kumar Kundu**

Mr. Goutam Kumar Kundu is an ex-shareholder of South Bangla Agriculture & Commerce Bank Limited. He was born on 23<sup>rd</sup> July in 1973. He completed his under graduate programme in 1990.

**Mr. Md. Rezaul Haque**

Mr. Md. Rezaul Haque is an ex-shareholder of South Bangla Agriculture & Commerce Bank limited. He was born on 1<sup>st</sup> of March 1957 in Jhenaidah. He completed his under graduate programme from Mazid Memorial City College, Khulna in 1975.

**Mr. Imtiaz Ahmed**

Mr. Imtiaz Ahmed is an ex-shareholder of South Bangla Agriculture & Commerce Bank limited. He was born on 27<sup>th</sup> of December 1971 in Joypurhat. He obtained his BSC degree from Chittagong University in 1991. He has an exposure in different sectors like jute exporting, food production, consumer food production & cold storage. He is a prominent business person and renowned entrepreneur.

**Mr. Maksudur Rahman**

Mr. Maksudur Rahman is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. He is a graduate having 41 years of business experience. Upon completion of Graduation, Mr. Rahman started his business in the year 1972. He is one of the pioneer businessmen in Chittagong in this sector. He is engaged with various social development activities.

**Mr. Md. Mizanur Rahman**

Mr. Md. Mizanur Rahman is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank limited. He was born on 22<sup>nd</sup> of November 1982 in Panchlaish R/A, Chowkbazar, Chittagong. He obtained his MBA degree from university of science & technology Chittagong in 2006.

**Ms. Shamsun Nahar Rahman**

Ms. Shamsun Nahar Rahman is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank Limited. She is a renowned business woman. She was born on 8<sup>th</sup> of October in Faridpur. She is involved in several business ventures. She has a remarkable contribution in socio economic activities in her area.

**Mr. Mohammed Ilias**

Mr. Mohammed Ilias is a sponsor director of South Bangla Agriculture & Commerce Bank Limited. He graduated from Hazi Muhammad Mohsin College, Chittagong in 1999. He is a renowned business person having business conglomerate consisted of different types of business firms.

**Mr. Mohammed Ayub**

Mr. Mohammed Ayub is one of the Sponsor Directors of South Bangla Agriculture & Commerce Bank Limited. He was born in a respectable Muslim family at Chittagong in 1962. He obtained his B.Com. degree from Chittagong University in 1981. He is a reputed and emerging business man in the country.

**Mr. Muhammad Mohsin**

Mr. Muhammad Mohsin is an ex-shareholder of South Bangla Agriculture & Commerce Bank limited. He obtained his MSS degree from Chittagong University in 1990. He has been in the business operation since 1982. With his tremendous managerial capacities and his foresight, Mr. Mohsin has built his business conglomerate with range of businesses. Mr. Mohsin is a renowned Industrialist.

**M/S. Contech Constructions Limited**

M/S. Contech Constructions Limited is one of the sponsor shareholders of South Bangla Agriculture & Commerce Bank limited. It commenced its business to set up industries to manufacture all types of construction materials made of concrete, SPC poles usable for electric line, concrete railway slippers, concrete sheet piles, hollow core slabs, column beams, tile and other building materials.

**Mr. Ayaz Waris Khan Warsi**

Mr. Ayaz Waris Khan Warsi is one of the respected sponsor shareholders of South Bangla Agriculture & Commerce Bank limited. He is a man of strong moral values, who believes in ethical investment. He was born on 7th of July 1959 in nayabazar, saidpur, nilphamari. He completed his diploma in Hotel Management. He is a renowned businessperson in manpower recruitment, training, real estate & travelling sector.

**Mr. Mohammad Abdul Hye**

Mr. Mohammad Abdul Hye is one of the respectable sponsor shareholders of South Bangla Agriculture & Commerce Bank limited. He was born on 30th of April 1954 in Sultanpur, sonagazi, feni. He completed his graduation in mathematics from Dhaka University in 1976, and then he completed a telecom engineering course as part of professional or technical qualification from Bangladesh German Institute, Khulna in 1977. He is a distinguished businessperson in manpower recruitment, training, real estate & travelling sector.

**(g) Capital Structure and History of Capital Raising:**

The Company intends to issue 100,000,000 ordinary shares of Tk. 10.00 each at par through Initial Public Offering (IPO) totaling to Tk. 1,000,000,000.00 subject to regulatory approvals.

Particulars	No. of Shares	Nominal Value per Share in BDT	Amount BDT
<b>Before IPO</b>			
Authorized Capital (As per audited accounts 30 September 2020)	1,000,000,000	10.00	10,000,000,000.00
Paid-up Capital (30 Sep 2020)	684,645,170	10.00	6,846,451,700.00
<b>Pre-IPO Paid-up Capital</b>	<b>684,645,170</b>	<b>10.00</b>	<b>6,846,451,700.00</b>
<b>After IPO</b>			
Capital to be issued through IPO	100,000,000	10.00	10,000,000,000.00
<b>Post-IPO Paid-up Capital</b>	<b>784,645,170</b>	<b>10.00</b>	<b>7,846,451,700.00</b>

**History of Capital Raising:**

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value of Share (Tk.)	Paid-up Capital
		In cash	Other than in cash	Bonus		
1st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	20-02-2013	40,896,000		-	10.00	4,089,600,000
2nd	20-11-2016			24,537,600	10.00	245,376,000.00
3rd	12-06-2017			65,024,640	10.00	650,246,400.00
4th	26-08-2018			67,300,502	10.00	673,005,020.00
5th	18-06-2019			56,582,274	10.00	565,822,740.00
6th	17-09-2020			62,240,501	10.00	622,405,010.00
<b>Total</b>						<b>6,846,455,170.00</b>

**(h) Summary of Valuation Report of Securities:**

Method 1: Net Asset Value (NAV) per share/Equity based valuation	13.18
Method 2: Historical Earnings based valuation	16.41
Method 3: Average market price of similar stock-based valuation	20.10

**Note:** The detailed workings of the valuation under above methods are given in this prospectus under the head of 'Valuation Report of Securities' prepared by the Issue Manager.

**(i) Others**

**(a) Declaration regarding any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus**

**DECLARATION OF MATERIAL CHANGES**

We, the Issuer, declare that we did not make any material changes including raising of paid-up capital after the date of audited financial statements as included in the prospectus.

Sd/-  
**(Tariqul Islam Chowdhury)**  
Managing Director & CEO  
South Bangla Agriculture & Commerce Bank Ltd.

Date: 24 December 2020

**(b) Declaration by the issue manager as required by Rule 3 (2) (b) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:**

This is to hereby declared that the Issue Manager “ICB Capital Management Limited” or any of its connected persons is in no way connected with the Issuer “South Bangla Agriculture & Commerce Bank Limited” or any of its connected person nor does hold any securities thereof.

Sd/-  
**(Shukla Das)**  
Chief Executive Officer  
ICB Capital Management Limited

Date: 14 January 2021

This is to hereby declared that the Issue Manager “ICB Capital Management Limited” or any of its connected persons is in no way connected with the Issuer “South Bangla Agriculture and Commerce Limited” or any of its connected person nor does hold any securities thereof.

Sd/-  
**(Tariqul Islam Chowdhury)**  
Managing Director & CEO  
South Bangla Agriculture & Commerce Bank Ltd.

Date: 24 December 2020

## **SECTION II**

<b>CONDITION IMPOSED BY THE COMMISSION</b>
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## CONDITIONS IMPOSED BY THE COMMISSION

### Disclosure in Respect of Issuance of Security in Dematerialized Form

As per provisions of the Depository Act, 1999 and regulations made there under, shares of the Company will be issued in dematerialized form only and for this purpose, South Bangla Agriculture & Commerce Bank Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

### CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:

#### PART-A

1. The Company shall go for Initial Public Offer (IPO) for 100,000,000 ordinary shares of Tk. 10.00 each at par from which 40% of securities are reserved for Eligible Investors (EIs) including Mutual Funds and CIS and the remaining 60% of securities will be offered for General Public including NRB, totaling to Tk. 1,000,000,000/- (taka one hundred crore) approximately following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.

2. The abridged version of the prospectus, as approved and vetted by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **05 (five) working days** from the date of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **2 (two) working days** of publication of abridged version of prospectus in the newspaper and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.

3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspapers.

4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspapers. A compliance report shall be submitted in this respect to the Commission jointly by the Issuer and the Issue Manager within **02 (Two) working days** from the date of publication of the abridged version of the prospectus in the newspapers.

5. The following declaration shall be made by the company in the prospectus, namely:-

#### **"Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within **20 (twenty) working days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the

date of refusal for listing by the stock exchanges, or from the date of expiry of the said **20 (twenty) working days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **7 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days'** time period allowed for refund of the subscription money."

The stock exchanges shall complete the listing procedure and start of trading of securities within **20 (Twenty) working days** from the closure of subscription.

6. Each General Applicant (General Public and Non-resident Bangladeshi applicants) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk.20,000/- (Taka twenty thousand only) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the subscription. The minimum application amount shall be Tk.10,000/- (Taka ten thousand only) or its multiples not exceeding Tk.50,000/- (Taka fifty thousand only). Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchanges regarding investment of general applicants in listed securities.

7. The IPO shall stand cancelled in case of under-subscription collectively above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 02 (two) working days** and release the subscription money within 07 (seven) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.

8. 20% of the securities shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী (general public excluding NRB). In case of under-subscription under any of sub-categories of eligible investors' category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the securities shall be allotted on pro-rata basis, any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on random basis.

9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications shall be treated as invalid and shall not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited and deposited to the Commission and the balance amount shall be refunded to the applicant.

10. The applicants who have applied for more than two applications using same bank account, their applications shall not be considered for allotment purpose. In addition, 15% of their subscription money shall be forfeited and deposited to the Commission. The balance amount shall be refunded to the applicants.

11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or sale proceeds of forfeited shares (unit) shall be deposited to the Commission. This is in addition to any other penalties as may be provided for by the law.

12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.

13. Shares are not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.

14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDBL system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.

15. The company shall not declare any dividend/bonus shares before listing with any Exchange from the date of this letter.

16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

17. Each Eligible Investor (EI) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 5,000,000/- (Taka fifty lac) for approved pension funds, recognized provident funds and approved gratuity fund and other EIs of Tk.10,000,000/- (Taka one crore) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the bidding as per clause (e) of sub-rule (1) of rule 2 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. Exchanges shall send the list of BO Accounts who have applied in the IPO to the

Central Depository Bangladesh Limited (CDBL). CDBL shall send a report to the Exchanges on the basis of the list of BO Accounts provided by the Exchanges regarding holding of EIs in listed securities and the Exchange shall ensure the compliance in this regard.

**18. The company shall not declare, approve or distribute any dividend prior listed with stock exchange(s).**

## **PART-B**

### **Application Process**

#### **Step-1 (Applicant):**

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
  - a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
  - b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

#### **Step-2 (Intermediary):**

3. The registered Stock broker/Merchant Banker in the ESS shall:
  - a) Post the amount separately in the customer account equivalent to the application money;
  - b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **6 (six) months** from listing of the securities with the exchange.
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDRom to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.

7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report.
8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
9. **Within next working day**, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

#### **Step-3 (Issuer):**

10. The Issuer and issue manager shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges.
11. **Within 3 (three) working days** of receipt of the subscription result, the Issuer and Exchanges shall:
  - a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
  - b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
  - c) Issuer shall issue allotment letters in the names of allottees in electronic format and
  - d) Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

#### **Step-4 (Intermediary):**

12. **On the next working day**, Exchanges shall:
  - a) remit the amount of allotted applicants to the Issuer's respective Escrow Account opened for subscription purpose;
  - b) send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list; and
  - c) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
13. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

#### **Miscellaneous:**

14. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
15. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-

Resident Bangladeshi (NRB) applicants.

16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.
17. The Exchanges shall provide the Issuer with a statement of the remittance.
18. The Issuer shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
19. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

### PART-C

1.The issue manager(s) shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. In this regard, the issue manager(s) shall submit a compliance report to the Commission within 5 working days from the date of such publications.

2.The fund collected through Initial Public Offer shall not be utilized prior to listing with the Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

3.The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

4.While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:

- (a)Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
- (b)Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
- (c)Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;

- (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
- (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the Initial Public offer shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.
7. If any quarter of the financial year-end after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly financial statements in accordance with the Commission's Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 and Rules 15 of the Securities and Exchange Rules, 2020.
8. In the event of arising issues concerning Price Sensitive Information as defined under the  $\omega\mu\omega\text{Κ}\lambda\omega\iota\omega\text{ΥΠΙΓ}\bullet\text{Π}\otimes\text{Κ}\omega\gamma\kappa\beta$  ( $\mu\upsilon\upsilon\omega\epsilon\alpha\omega\text{Π}\phi\omega\text{Μ}\xi\ \epsilon\blacklozenge\epsilon\mu\omega\ \omega\beta\omega\lambda\cdot\text{Κ}\iota\text{Ψ}$ )  $\omega\epsilon\omega\alpha\gamma\omega\phi\omega$  1995 after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

**PART-D**

1. As per provision of the Depository Act, 1999 & Regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.

2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the Exchanges;

**Provided that the Board of Directors of the issuer along with the Issue Manager(s) shall conduct a quarterly meeting with the Capital Issue Department of the Commission regarding compliance status of its business plan as mentioned in the Prospectus.**

3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary, which shall also be binding upon the issuer company.

## SECTION III

<p>DECLARATION AND DUE DILIGENCE CERTIFICATES</p>
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**Declaration and Due Diligence Certificates**

**DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING THE CEO OF SOUTH BANGLA AGRICULTURE & COMMERCE BANK LIMITED IN RESPECT OF THE PROSPECTUS/PROSPECTUS**

**[RULE 4 (1) (d)]**

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/- S. M. Amzad Hossain Chairman	Sd/- Talukder Abdul Khaleque Vice Chairman & Independent Director	Sd/- Begum Sufia Amjad Director
Sd/- Abu Zafar Mohammad Shofiuddin Director	Sd/- Abdul Kadir Molla Director	Sd/- Engr. Md. Moklesur Rahman Director
Sd/- Al-Haj Mizanur Rahman Director	Sd/- Captain M. Moazzam Hossain Director	Sd/- Hafizur Rahman Babu Director
Sd/- Tahmina Afroz Director	Sd/- Anwar Hussain Director	Sd/- Sk. Shyedujjaman, Director Nominated by: Moonstar Ceramic Industries Ltd.
Sd/- Mohammad Nawaz Director	Sd/- Mohammed Ayub Director	Sd/- Sakhawat Hussain, Director Nominated by: Haji Shakhawat Anwara Eye Hospital Ltd.
Sd/- Mst. Nasima Begum, Director Nominated by: Thermax Textile Mills Ltd.	Sd/- Dr. Syed Hafizur Rahman Independent Director	Sd/- Md. Sajidur Rahman Independent Director
Sd/- Md. Altaf Hossain Independent Director	Sd/- Tariqul Islam Chowdhury Managing Director & CEO	

Date: 24 December 2020

## Declaration and Due Diligence Certificates

### DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING THE CEO OF SOUTH BANGLA AGRICULTURE & COMMERCE BANK LIMITED IN RESPECT OF THE PROSPECTUS/PROSPECTUS

#### [RULE 4 (1) (d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-

Mosleh Uddin Ahmed  
Managing Director & CEO

Date: 24 May 2021

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER****[Rule 4(1)(d)]**

**To  
The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of 100,000,000 Ordinary Shares of Tk. 1000,000,000.00 by South Bangla Agriculture & Commerce Bank Limited**

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- 1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the Prospectus pertaining to the said issue;
- 2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- (a) The Prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the Prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence

related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the Prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl.	Name of Company	Issue FY	Issue Size (In crore)	Issue Price at BDT	Market Closing Price as on 14-01-2021 at BDT	Dividend Payment History	
1	The ACME Laboratories Limited	2015-16	409.60	77.00	76.80	2020-25%C	
						2019-35%C	
						2018-35%C	
						2017-35%C	
						2016-35%C	
						2015-35%C	
						2014-35%C	
	Doreen Power Generations and Systems Limited		58.00	29.00	65.80	2020-10%C, 10%B	
						2019-17%C, 13%B	
						2018-15%C, 10%B	
						2017-10%C, 10%B	
						2016-10%C, 20%B	
2	BBS Cables Limited	2016-17	20.00	10.00	60.70	2020-10%C, 10%B	
							2019-10%C, 10%B
							2018-10%C, 15%B
							2017-5%C, 15%B
3	Aman Cotton Fibrous Limited	2017-18	80.00	36.00	33.20	2019-10%C	
						2018-10%C	
4	-	2018-19	-	-	-	-	
5	Ashugonj Power Station Company Limited (Bond)	2019-20	100	5000	5015.00	Range of coupon rate =8.5%-10.5% Coupon rate=Reference rate* + Margin	
	ADN Telecom Limited		57	27	51.80	2020-15%C	

\*The reference rate is the rate of 182 days Bangladesh Treasury bill & Margin=4%

For Manager to the Issue

Dhaka,  
Date: 07 January 2021.

Sd/-  
(Shukla Das)  
Chief Executive Officer  
ICB Capital Management Limited

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER(S)**

[RULE 4 (1) (d)]

To  
The Bangladesh Securities and Exchange Commission

Subject: Public offer of 100,000,000 Ordinary Shares of TK. 1,000,000,000.00 of South Bangla Agriculture & Commerce Bank Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 329.65 (Three hundred twenty nine point sixty five) crore and we have the capacity to underwrite a total amount of Tk. 1,834.25 (Taka one thousand eight hundred thirty four point two five) crore as per relevant legal requirements. We have committed to underwrite for up to Tk. 23.00 (twenty three) crore for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
1	Desh General Insurance Company Ltd.	5,600,000.00
2	Energypac Power Generation Ltd.	10,409,180.00
3	Ratanpur Steel Re-Rolling Mills Ltd.	37,500,000.00
4	eGeneration Limited	20,000,000.00
5	JMI Hospital Requisite Manufacturing Limited	51,250,000.00
6	Sonali Life Insurance Company Limited	66,500,000.00
7	Mir Akhter Hossain Limited	9,000,000.00
8	Omera Petroleum Limited	41,726,036.00
9	Taufika Foods And Agro Industries Limited.	15,000,000.00
	<b>Total=</b>	<b>256,985,216.00</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable

**For the Underwriter:**

Sd/-  
**(Shukla Das)**  
Chief Executive Officer  
ICB Capital Management Limited

Place: Dhaka  
Date: 10 January 2021

**Due diligence certificate by the Underwriter(s)**

**[Rule 4 (1) (d)]**

**To  
The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of 100,000,000 ordinary Shares of BDT 1,000,000,000.00 of South Bangla Agriculture & Commerce Bank Limited**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,032,800,000.00 (Taka two billion thirty two million eight hundred thousand) only and we have the capacity to underwrite a total amount of Tk. 10,068,719,220.00 (Taka ten billion sixty eight million seven hundred nineteen thousand two hundred and twenty only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 30,000,000.00 (Taka thirty million) only for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl.	Name of the Company	Underwriting Amount (Taka)
1	GQ Ball Pen Industries Limited	50,100,000.00
2	IFCO Garments & Textiles Ltd.	17,500,000.00
3	Dhaka Regency Hotel and Resort Limited	10,500,000.00
4	Western Marine Shipyard Limited	200,000,000.00
5	Aman Tex Limited	40,000,000.00
6	Ratanpur Steel Re-Rolling Mills Limited	18,000,000.00
7	Hajj Finance Company Limited	21,000,000.00
8	Omera Petroleum Limited	41,726,036.00
9	Desh General Insurance company Limited	28,000,000.00
	<b>Total</b>	<b>426,826,036.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

**Sd/-**  
**(Md. Rezaul Haque)**  
Managing Director (CC)  
Prime Finance Capital Management Limited  
Place: Dhaka  
Date: 11 January 2021

**Due diligence certificate by the underwriter(s)**  
[See rule 4 (1) (d)]

To  
**The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of 100,000,000 Ordinary Shares of BDT. 1000,000,000.00 of South Bangla Agriculture & Commerce Bank Limited.**

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 100,000,000.00 (one hundred crore) and we have the capacity to underwrite a total amount of Tk. 500,000,000.00 (five hundred) crore as per relevant legal requirements. We have committed to underwrite for up to Tk. 15,000,000.00 (one crore fifty lac) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
01	Modern Steel Mills Limited (Book Building)	50,000,000.00
02	Dragon Sweater & Spinning Limited	20,000,000.00
03.	Anik Trims Limited	3,50,00000.00
	<b>Total</b>	<b>105,000,000.00</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

**Sd/-**  
**(Md. Harunur Rashid)**  
Chief Executive Officer  
Rupali Investment Ltd.

Place: Dhaka  
Date: 11 January 2021.

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**

[See Rule 4 (1) (d)]

To  
**The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of 100,000,000 Ordinary Shares of BDT. 1,000,000,000.00 of South Bangla Agriculture & Commerce Bank Ltd.**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision: and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 356,883,450.00 (Taka thirty five crore sixty eight lac eighty three thousand four hundred fifty) and we have the capacity to underwrite a total amount of Tk. 1,784,417,250.00 (Taka one hundred seventy eight crore forty four lac seventeen thousand two hundred fifty) as per relevant legal requirements. We have committed to underwrite for up to Tk. 15,000,000.00 (Taka one crore fifty lac) for the upcoming issue.

- b) At present, the following underwriting obligations are pending for us:

(Name of the issue and amount underwritten)

Sl. No.	Name of The Company	Issue Type	Amount Underwritten (in BDT)
1	Electro Battery Com. Ltd.	IPO	39,375,000.00
2	Gardenia Wears Ltd.	IPO	45,000,000.00
3	Krishibid Feed Ltd.	IPO	105,000,000.00
4	Union Insurance Co. Ltd.	IPO	28,000,000.00
5	Nialco Alloys Limited	Small Cap	12,500,000.00
	<b>Total</b>		<b>229,875,000.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us:
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer: and
- e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Khairul Bashar Abu Taher Mohammed**  
 Chief Executive Officer & SEVP  
 MTB Capital Ltd.

Place: Dhaka  
 Date: 11 January 2021

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**

**[RULE 4 (1) (d)]**

To  
The Bangladesh Securities and Exchange Commission

**Sub: Public offer of 100,000,000 Ordinary Shares of BDT. 1000,000,000.00 of South Bangla Agriculture & Commerce Bank Ltd.**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision: and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Taka twenty-five crore only) and we have the capacity to underwrite a total amount of Tk. 191,500,000.00 (Taka nineteen crore fifteen lac only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 10,000,000.00 (Taka one crore) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
1	Mohammad Elias Brothers POY Manufacturing Ltd.	35,00,000.00
2	Aman Tex Ltd.	35,000,000.00
3	One Tex Ltd.	20,000,000.00
<b>Total</b>		<b>585,00,000.00</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable

**For the Underwriter:**

Sd/-  
**(Mohammed Hafiz Uddin)**  
Chief Executive Officer  
Midas Investment Ltd.

Place: Dhaka  
Date: 11 January 2021

Due diligence certificate by the underwriter(s)

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 100,000,000 Ordinary Shares of Tk. 1,000,000,000.00 of South Bangla Agriculture & Commerce Bank Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Twenty Five crore) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (One Hundred Twenty Five crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 10,000,000.00 (Taka One crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
1	National Polymer Limited	1,500,000
2	NRB Commercial Bank Limited	50,000,000
<b>Total</b>		<b>51,500,000</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-  
**(Mohammad Shahinur Rahman)**  
Managing Director  
Uttara Finance Capital Management Limited.

Place: Dhaka  
Date: 11 January 2021

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
[Rule 4 (1)(d)]

To

**The Bangladesh Securities and Exchange Commission**

**Sub: Public Offer of 100,000,000 Ordinary Shares of Tk. 1,000,000,000.00 of South Bangla Agriculture And Commerce Bank Limited**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,155,000,000.00 (Taka Two Hundred Fifteen Crore Fifty Lac only) and we have the capacity to underwrite a total amount of Tk. 10,775,000,000.00 (Taka One Thousand Seventy Seven Crore Fifty Lac only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 30,000,000.00 (Taka Three Crore only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of Issuer	Type of Issue	Amount Underwritten (in BDT)
1.	Desh General Insurance Company Limited	IPO	5,600,000.00
2.	Index Agro Industries Limited	IPO	23,982,112.00
3.	Baraka Patenga Power Limited	IPO	341,250,000.00
4.	eGeneration Limited	IPO	20,000,000.00
5.	Omera Petroleum Limited	IPO	146,041,141.00
6.	NRB Commercial Bank Limited	IPO	60,000,000.00
<b>Total</b>			<b>596,873,253.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-  
**Iftexhar Alam**  
Chief Executive Officer  
Lankabangla Investments Limited

Place: Dhaka  
Date: 12 January 2021

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER(S)**

[Rule 4 (1)(d)]

To

**The Bangladesh Securities and Exchange Commission**

**Sub: Public Offer of 100,000,000 ordinary shares of BDT 1,000,000,000.00 of South Bangla Agriculture & Commerce Bank Limited.**

Dear Sir,

We, the under-noted Underwriter to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2000,000,000.00 (two hundred crore only) and we have the capacity to underwrite a total amount of Tk. 10,000,000,000.00 (one thousand crore only) as per relevant legal requirement. We have committed to underwrite for up to Tk. 10,000,000.00 (Taka one crore only) for the upcoming issue.

- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
01	Dragon Sweater & Spinning Limited	20,000,000.00
02	Modern Steel Mills Limited	30,000,000.00
	<b>Total</b>	<b>50,000,000.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

**Sd/-**  
**(Md. Nurun Nabi)**  
 Chief Executive Officer  
 Sonali Investment Limited

Place: Dhaka  
 Dated: 11 January 2021

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER(S)**

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Subject: Public offer of 100,000,000 Ordinary Shares of TK. 1,000,000,000.00 of South Bangla Agriculture & Commerce Bank Limited.**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 25.00 (Twenty five) crore and we have the capacity to underwrite a total amount of Tk. 125.00 (One hundred and twenty five) crore as per relevant legal requirements. We have committed to underwrite for up to Tk. 2.00 (two) crore for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
1	Alliance Holdings Limited	16,940,000.00
2	Rajlanka Power Company Limited	50,000,000.00
3	Aman Tex Limited	40,000,000.00
	<b>Total</b>	<b>106,940,000.00</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-  
**(Mohammad Sarwar Hossain)**  
Managing Director/Chief Executive Officer  
Roots Investment Limited

Place: Dhaka

Date: 11 January 2021

## SECTION (IV)

<b>ABOUT THE ISSUER</b>
-------------------------

## ABOUT THE ISSUER

(a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address:

Name of the Issuer	South Bangla Agriculture & Commerce Bank Limited
Date of Incorporation	20 February 2013
Commencement of Commercial Operations	20 February 2013
Logo of the Company	
Registered Office	BSC Tower, 2-3, Rajuk Avenue, Motijheel, Dhaka-1000
Corporate office	BSC Tower, 2-3, Rajuk Avenue, Motijheel, Dhaka-1000
Telephone Number	(02) 9577207-11
Fax Number	+88 02 9577212
Contact Person	Mr. Md. Mokaddess Ali ACS SVP & Company Secretary SBAC Bank Ltd. 15 <sup>th</sup> Floor, B.S.C Tower, 2-3, Rajuk Avenue Motijheel, Dhaka-1000 Tel: 9577207-11 Ext 205.
Website Address	<a href="http://www.sbacbank.com">www.sbacbank.com</a>
E-mail Address	<a href="mailto:cs@sbacbank.com">cs@sbacbank.com</a>

(b) The names of the sponsors and directors of the issuer:

The name of Sponsors are presented below:

Sl. No.	Name of Sponsors	Position
1.	Mr. S. M. Amzad Hossain	<b>Sponsor Shareholder</b>
2.	Begum Sufia Amjad	
3.	Miss Tajori	
4.	Mr. Abu Zafar Mohammad Shofiuddin	
5.	Mr. Abdul Kadir Molla	
6.	Mr. Md. Moklesur Rahman	
7.	Mr. Md. Amzad Hossain	
8.	Al-Haj Mizanur Rahman	
9.	Captain M. Moazzam Hossain	
10.	Mr. Motiur Rahman	
11.	Ms. Kamrun Nahar	
12.	Ms. Mysha Khabir	
13.	Mrs. Sanawar Bano	
14.	Mr. Iqbal Haider Chowdhury	
15.	Mr. Mohammed Nazrul Islam	
16.	Mr. A.K. Mizanur Rahman, FCA	
17.	Padma Lamitube Ltd.	

Sl. No.	Name of Sponsors	Position
18.	Mr. Mozaharul Haque Shahid	<b>Sponsor Shareholder</b>
19.	Mr. Md. Emdadul Haque	
20.	Mr. Md. Eathashamul Haque	
21.	Mr. Kafil Uddin Bhuiyan	
22.	Mr. Hafizur Rahman Babu	
23.	Mr. Shahab Uddin Khan	
24.	Abdul Gaffar & Co. (Pvt.) Ltd.	
25.	Mr. Anwar Hussain	
26.	Mr. Mohammad Imran	
27.	Mrs. Tahmina Afroz	
28.	Mrs. Shamima Hossain	
29.	Haji Shakhawat Anwara Eye Hospital Ltd.	
30.	Mr. Sk. Shyedujjaman	
31.	Farjana Farhad	
32.	Mr. Talukder Abdul Khaleque	
33.	Mr. Mrinal Kanti Debnath	
34.	Mr. Sujit Kumar Saha	
35.	Khan Habibur Rahman	
36.	Ms. Sadnam Sadiana	
37.	Mr. S. M. Alamgir	
38.	Mr. S. M. Jahangir	
39.	Ms. Halima Khatun	
40.	Mr. Amit Ganguly Pallab	
41.	Mr. Goutam Kumar Kundu	
42.	Mr. Md. Rezaul Haque	
43.	Mr. Imtiaz Ahmed	
44.	Mr. Maksudur Rahman	
45.	Mr. Md. Mizanur Rahman	
46.	Ms. Shamsun Nahar Rahman	
47.	Mr. Mohammed Ilias	
48.	Mr. Mohammed Ayub	
49.	Mr. Muhammad Mohsin	
50.	M/S. Contech Construction Ltd.	
51.	Mr. Ayaz Waris Khan Warisi	
52.	Mr. Mohammad Abdul Hye	

The name of existing Directors are presented below:

Sl.	Name of Directors	Position
1.	Mr. S. M. Amzad Hossain	Chairman
2.	Mr. Talukdar Abdul Khaleque*	Independent Director & Vice Chairman
3.	Captain Mohammed Moazzam Hossain	Director
4.	Mr. Abdul Kadir Molla	Director
5.	Mr. Abu Zafar Mohammad Shofiuddin	Director
6.	Al-haj Mizanur Rahman	Director
7.	Engineer Mohammad Moklesur Rahman	Director
8.	Begum Sufia Amjad	Director
9.	Mr. Hafizur Rahman Babu	Director
10.	Mr. Anwar Hussain	Director
11.	Mrs. Tahmina Afroz	Director
12.	Mst. Nasima Begum (Nominated by Tharmex Textile Mills Ltd.)	Director
13.	Mr. Sk. Shyedujjaman (Nominated by Moonstar Ceramic Ind. Ltd.)	Director
14.	Mr. Mohammad Nawaz	Director
15.	Mr. Mohammed Ayub	Director
16.	Mr. Sakhawat Hussain (Nominated by Haji Shakhawat Anwara Eye Hospital Ltd.)	Director
17.	Dr. Syed Hafizur Rahman	Independent Director
18.	Mr. Md. Sajidur Rahman	Independent Director
19.	Mr. Md. Altaf Hossain**	Independent Director
20.	Mr. Mosleh Uddin Ahmed***	Managing Director & CEO

\* Mr. Talukdar Abdul Khaleque who is an Independent Director of the Bank is also a Sponsor of the SBAC Bank Ltd.

\*\* Mr. Md. Altaf Hossain was appointed as an Independent Director in the 110<sup>th</sup> meeting of the Board of Directors. But Bangladesh Securities and Exchange Commission rejected the proposal of appointment of Mr. Md. Altaf Hossain as Independent director on 12 May 2021. Subsequently the Board of SBAC appointed Professor Mohammad Moqbul Hossain Bhuiyan as Independent Director in the 121<sup>st</sup> meeting of the Board of Directors held on 25<sup>th</sup> May 2021 and applied BSEC for approval on 27<sup>th</sup> May 2021.

\*\*\* Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 & his notice period was ended 30 April 2021 and Mr. Mosleh Uddin Ahmed was appointed as Managing Director & CEO on 01 May 2021.

Note: It is noted that, total number of Directors of the Company is 21 including the Managing Director and 04 Independent Directors. The name of Mr. Maksudur Rahman exists in form XII (PD) but the Company in its 110<sup>th</sup> Board Meeting held on 30-11-2020 treated his position of Director vacated because Bangladesh Bank has not approved his re-appointment yet.

(c) The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:

Particulars	Description
Name	: Hoda Vasi Chowdhury & Co.
Address	: Bangladesh Textile Mills Corporation Bhaban, 7-9, Kawran Bazar Rd, Dhaka-1217.
Telephone Number	: +880(2) 9140094, +880(2) 9120090
Fax Number	: +880(2) 8119298
Contact Person	: Mr. Shaikh Hasibur Rahman, FCA
Website Address	: <a href="http://www.hodavasi.com">http://www.hodavasi.com</a>
E-mail Address	: <a href="mailto:akchowdhury@hodavasi.com">akchowdhury@hodavasi.com</a>

(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed:

Stock exchanges where the shares of South Bangla Agriculture & Commerce Bank Limited are proposed to be listed	 <p><b>Dhaka Stock Exchange Limited</b> DSE-Tower, Plot#46, road#21 Nikunja-2, Dhaka-1229. Email: <a href="mailto:dse@bol-online.com">dse@bol-online.com</a> Web: <a href="http://www.dsebd.org">www.dsebd.org</a></p>	 <p><b>Chittagong Stock Exchange Limited (CSE)</b> CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong, Bangladesh E-mail: <a href="mailto:info@cse.com.bd">info@cse.com.bd</a> Web: <a href="http://www.cse.com.bd">www.cse.com.bd</a></p>
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## SECTION (V)

<b>CORPORATE DIRECTORY OF THE ISSUER</b>
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<b>Corporate Directory of the Issuer</b>	
<b>Name of the Issuer</b>	South Bangla Agriculture & Commerce Bank Limited
<b>Logo</b>	
<b>Date of incorporation</b>	20 February 2013
<b>Date of commercial operation</b>	20 February 2013
<b>Changes in denomination of face value of shares</b>	Face value of each shares Tk. 10.00
<b>Date of conversion into a Public Limited Company</b>	20 February 2013
<b>Authorized capital as on 30 September 2020</b>	1000.00 crore
<b>Paid up capital as on 30 September 2020</b>	684.65 crore
<b>Registered office</b>	BSC Tower, (5 <sup>th</sup> - 16 <sup>th</sup> Floor) 2-3, Rajuk Avenue, Motijheel Dhaka-1000.
<b>Corporate office</b>	BSC Tower, (5 <sup>th</sup> - 16 <sup>th</sup> Floor) 2-3, Rajuk Avenue, Motijheel Dhaka-1000.
<b>Board of Directors</b>	20 Directors (including Four Independent Directors)
<b>Auditors</b>	Hoda Vasi Chowdhury & Co.
<b>Issue Manager</b>	<b>ICB Capital Management Limited</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor) 89, Kakrail, Dhaka-1000.
<b>Banker for the IPO</b>	South Bangla Agriculture & Commerce Bank Limited
<b>Banker of the Company</b>	South Bangla Agriculture & Commerce Bank Limited
<b>Compliance officer</b>	Mr. Md. Mokaddess Ali, ACS, Company Secretary
<b>Legal Advisor</b>	<b>Bhuiyan Islam &amp; Zaidi</b> Mr. Ariful Islam, Barrister-at-Law House 29, Road 9/A, Dhanmondi, Dhaka-1209 Mobile Number: 01713035637
<b>Tax Advisor</b>	<b>Islam &amp; Co.</b> Mr. Md. Din Islam Miah FCA Amigo 14 square, 59/C-61/C, level# 12, Asad Avenue, Mohammadpur, Dhaka-1207 Mobile Number: 01755655104

## SECTION (VI)

<b>DESCRIPTION OF THE ISSUER</b>
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## DESCRIPTION OF THE ISSUER

### (a) Summary:

(i) The summary of the industry and business environment of the Issuer Company are given below:

#### Summary of the Industry:

The financial system of Bangladesh is comprised of three broad fragmented sectors as Formal Sector, Semi-Formal Sector and Informal Sector. The sectors have been categorized in accordance with their degree of regulation.

The **formal sector** includes all regulated institutions like Banks, Non-Bank Financial Institutions (FIs), Insurance Companies, Capital Market Intermediaries like Brokerage Houses, Merchant Banks etc.; Micro Finance Institutions (MFIs).

The **semi-formal sector** includes some specialized financial institutions which do not fall under the jurisdiction of various financial sector regulators, they are regulated by their own acts under different ministries of the Government, e.g. Bangladesh House Building Finance Corporation (BHBFC), Bangladesh Samabaya Bank Limited (BSBL), Investment Corporation of Bangladesh (ICB), Palli Karma Sahayak Foundation (PKSF), Grameen Bank, Non-governmental Organizations (NGOs), different Co-operatives & credit unions and discrete government programs.

The **informal sector** is comprised of private intermediaries that are completely unregulated. After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercial banks, 3 State-owned specialized banks and 9 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:

**Scheduled Banks:** The Banks that remain in the list of banks maintained under the Bangladesh Bank Order, 1972.

**Non-Scheduled Banks:** The banks which are established for special and definite objective and operate under any act but are not scheduled banks. These banks cannot perform all functions of scheduled banks.

According to the website of Bangladesh Bank, there are **60 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

1. State Owned Commercial Banks (SOCBs): There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
2. Specialized Banks (SDBs): 3 specialized banks are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.
3. Private Commercial Banks (PCBs): There are 42 private commercial banks, which are majorly owned by individuals/the-private entities. PCBs can be categorized into two groups:
  - 3.1 Conventional PCBs: **34 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
  - 3.2 Islami Shariah based PCBs: There are **8 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.

4. Foreign Commercial Banks (FCBs): 9 FCBs are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

The banking system in Bangladesh appeared to be mostly resilient in 2019. A modest asset growth, primarily supported by considerable growth in deposit, was observed during the review year.

The banking sector recorded a notable asset growth in 2019 backed by a significant rise in deposit growth. Moreover, deposit growth surpassed the loan growth. Private commercial banks (PCBs) held the major portion of earning assets of the industry, which might enhance banking sector stability through better management of their asset quality.

However, even with higher deposit growth, the loan growth of only 11.9 percent suggests a cautious stance by banks. The deposit growth, aided by accelerated remittance inflow and various other policy initiatives, outpaced loan growth, which eased the liquidity scenario and provided the required stability to the banking sector's deposit base.

The asset quality of the banking sector improved during the latter part of 2019 primarily due to the restructuring of loans under a new policy aimed at reducing debt-servicing burden of good borrowers. Despite the recent improvement, the proper monitoring of rescheduled loans amid the COVID-19 pandemic remains a critical challenge for the banking industry.

The banking sector also demonstrated a moderate increase in net profit after taxes during the review year. Both, capital to risk-weighted assets ratio (CRAR) and Tier-1 capital ratio of the banking industry increased in 2019.

**Business Environment:**

The Issuer's business environment is conducive to the business The Bank through its Branches provides a diverse range of financial services and products in Bangladesh. The Bank got permission to open its Islami Banking window in 2020. The Government policy is favorable to the sector. Overall, it is a business-friendly situation even though the world is passing through a tough situation due to Covid-19 pandemic. The GOB has taken appreciable initiative to combat with the situation arisen by the pandemic. The management of the Bank have analysed COVID-19 impact in Business & financial perspective and have taken necessary steps to avoid the negative growth in banking business.

**(ii) Summary of consolidated financial, operating and other information**

As South Bangla Agriculture & Commerce Bank Limited had no subsidiary as on 30 September 2020, there is no consolidated financial information for SBAC Bank Limited. However, the company recently formed a subsidiary company named SBAC Bank Investment Limited which incorporation date is 21 March 2021.

**(b) General Information:**

- (i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the Issuer are as follows;

Particulars	Description
<b>Name</b>	South Bangla Agriculture & Commerce Bank Limited
<b>Address</b>	<b>Registered Office:</b> BSC Tower, 2-3, Rajuk Avenue, Motijheel, Dhaka-1000.
<b>Telephone</b>	(02) 9577207-11
<b>Fax</b>	+88 02 9577212
<b>Corporate Head office</b>	BSC Tower, 2-3, Rajuk Avenue, Motijheel, Dhaka-1000
<b>Factory</b>	N/A
<b>Business premises and outlets</b>	As Banking Services are the main product of the Issuer Company, the Bank operates its activities through its Branches.

**(ii) The Board of directors of the issuer;**

Sl.	Name of Directors	Position
1.	Mr. S. M. Amzad Hossain	Chairman
2.	Mr. Talukdar Abdul Khaleque*	Independent Director & Vice Chairman
3.	Captain Mohammed Moazzam Hossain	Director
4.	Mr. Abdul Kadir Molla	Director
5.	Mr. Abu Zafar Mohammad Shofiuddin	Director
6.	Al-haj Mizanur Rahman	Director
7.	Engineer Mohammad Moklesur Rahman	Director
8.	Begum Sufia Amjad	Director
9.	Mr. Hafizur Rahman Babu	Director
10.	Mr. Anwar Hussain	Director
11.	Mrs. Tahmina Afroz	Director
12.	Mst. Nasima Begum (Nominated by Tharmex Textile Mills Ltd.)	Director
13.	Mr. Sk. Shyedujjaman (Nominated by Moonstar Ceramic Ind. Ltd.)	Director
14.	Mr. Mohammad Nawaz	Director
15.	Mr. Mohammed Ayub	Director
16.	Mr. Sakhawat Hussain (Nominated by Haji Shakhawat Anwara Eye Hospital Ltd.)	Director
17.	Dr. Syed Hafizur Rahman	Independent Director
18.	Mr. Md. Sajidur Rahman	Independent Director
19.	Mr. Md. Altaf Hossain**	Independent Director
20.	Mr. Mosleh Uddin Ahmed***	Managing Director & CEO

\* Mr. Talukdar Abdul Khaleque who is an Independent Director of the Bank is also a Sponsor of the SBAC Bank Ltd.

\*\* Mr. Md. Altaf Hossain was appointed as an Independent Director in the 110<sup>th</sup> meeting of the Board of Directors. But Bangladesh Securities and Exchange Commission rejected the proposal of appointment of Mr. Md. Altaf Hossain as Independent director on 12 May 2021. Subsequently the Board of SBAC appointed Professor Mohammad Moqbul Hossain Bhuiyan as Independent Director in the 121<sup>st</sup> meeting of the Board of Directors held on 25<sup>th</sup> May 2021 and applied BSEC for approval on 27<sup>th</sup> May 2021.

\*\*\* Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 & his notice period was ended 30 April 2021 and Mr. Mosleh Uddin Ahmed was appointed as Managing Director & CEO on 01 May 2021.

Note: It is noted that, total number of Directors of the Company is 21 including the Managing Director and 04 Independent Directors. The name of Mr. Maksudur Rahman exists in form XII (PD) but the Company in its 110<sup>th</sup> Board Meeting held on 30-11-2020 treated his position of Director vacated because Bangladesh Bank has not approved his re-appointment yet.

**(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the Chairman, Managing Director, whole time Directors, etc. of the issuer;**

Sl.	Name & Address	Telephone, Fax No. & E-mail Address
1	Name : Mr. S. M. Amzad Hossain Position : Chairman Address: Akram Tower (9 <sup>th</sup> Floor), 199, Sayed Nazrul Islam Sarani, 15/5, Bijoy Nagar, Dhaka-1000.	<b>Telephone</b> :+88 02 8391842, 9336475 <b>Fax</b> :+88 02 9351176 <b>E-mail</b> : <a href="mailto:lockpurgroup@gmail.com">lockpurgroup@gmail.com</a>
2	Name : Mr. Mosleh Uddin Ahmed Position : Managing Director & CEO Address: 14 <sup>th</sup> Floor, B.S.C Tower, Motijheel, Dhaka.	<b>Telephone</b> : 9577207-11 Ext 203 <b>Fax</b> : +88 02 9577212 <b>E-mail</b> : <a href="mailto:tariqul.chowdhury@sbacbank.com">tariqul.chowdhury@sbacbank.com</a>

**\*There is no whole time director in the company except Managing Director & CEO.**

**(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, Company Secretary, Legal Advisor, Auditors and Compliance Officer;**

SL	Name & Address	Telephone, Fax No. & E-mail Address
1	Name: Mr. Md. Masoodur Rahman Position: Chief Financial Officer Address: 13 <sup>th</sup> Floor, B.S.C Tower, Motijheel, Dhaka.	Telephone : 9577207-11 Ext 216 Fax : +88 02 9577212 E-mail: <a href="mailto:masoodur.rahman@sbacbank.com">masoodur.rahman@sbacbank.com</a>
2	Name: Mr. Md. Mokaddess Ali ACS Position: Company Secretary Address: 15 <sup>th</sup> Floor, B.S.C Tower, Motijheel Dhaka.	Telephone : 9577207-11 Ext 205 Fax : +88 02 9577212 E-mail : <a href="mailto:cs@sbacbank.com">cs@sbacbank.com</a>
3	Name : Bhuiyan Islam and Zaidi Position : Legal Adviser Address: House-29, Road 9/A Dhanmondi, Dhaka-1209.	Telephone : +880-2-8117012, 9119420 Fax: +880-2-8191356 E-mail: <a href="mailto:corporate@bhuiyanislamzaidi.com">corporate@bhuiyanislamzaidi.com</a>
4	Name : Hoda Vasi Chowdhury & Co. Position : Auditor Address: BTMC Bhaban (6 <sup>th</sup> & 7 <sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215.	Telephone : +880 (2) 9120090 Fax: +880 (2) 58155346 E-mail: <a href="mailto:hvc@hodavasi.com">hvc@hodavasi.com</a>
5	Name: Mr. Md. Mokaddess Ali ACS Position: Compliance Officer Address: 15 <sup>th</sup> Floor, B.S.C Tower Motijheel, Dhaka.	Telephone : 9577207-11 Ext 205 Fax: +88 02 9577212 E-mail : <a href="mailto:cs@sbacbank.com">cs@sbacbank.com</a>

**(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager;**

Issue Manager	
Name	: ICB Capital Management Limited
Address	: Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89, Kakrail, Dhaka-1000
Telephone number	: +88-02-8300555
Fax number	: +88-02-8300396
Contact person	: Shukla Das Chief Executive Officer
Website	: <a href="http://www.icml.com.bd">www.icml.com.bd</a>
Web-mail	: <a href="mailto:ho_issue@icml.com.bd">ho_issue@icml.com.bd</a>

**Registrar to the issue:**

Registrar to the Issue is not applicable for SBAC as the Bank is going to IPO under Fixed Price Method.

**(vi) The following details of credit rating, where applicable:**

**a) The names of all the credit rating agencies from which credit rating has been obtained;**

South Bangla Agriculture and Commerce Bank Ltd. has been obtained credit rating report from the following agencies:

Year	Name of the credit rating agencies
2014-20	Credit Rating Agency of Bangladesh (CRAB)

**b) The details of all the credit ratings obtained for the issue and the issuer;**

Financial Year	Entity Rating		Rating Date	Outlook
	Long Term	Short Term		
2019	A3	ST-2	September 27, 2020	Stable
2018	A3	ST-2	June 27, 2018	Stable
2017	A3	ST- 2	June 21, 2017	Stable
2016	BBB1	ST- 2	June 02, 2016	Stable
2015	BBB2	ST- 2	June 30, 2015	Developing
2014	BBB2	ST- 2	June 30, 2014	Stable

**c) The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);**

As per credit Rating Report dated 27 September 2020

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed “A<sub>3</sub>” (Pronounced Single A three) rating in the long term and “ST-2” rating in the short term to South Bangla Agriculture & Commerce Bank Limited based on audited financial statement up to 31<sup>st</sup> December 2019, unaudited financial statement for the period of 30 June 2020, and other relevant information.

Commercial Banks rated ‘A<sub>3</sub>’ have strong capacity to meet their financial commitments and judged to be of high quality with low credit risk. Commercial Banks rated in ‘ST-2’ category are considered to have strong capacity for timely repayment of obligations characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds

The rating reflects the Bank’s strength from capital adequacy & profitability. However, the ratings are constrained by evolving non performing loan and provision shortfall of the Bank.

Net interest income shared 57.67% of total operating income in 2019. Net interest margin of the Bank was 4.17% in 2019 slightly deteriorated from last year due to reduced interest spread. The Bank’s NIM was above the PCB industry average in 2019. Profitability of the Bank remained almost constant during the year in respect of risk return perspective having a return of 1.70% on risk weighted assets.

As an emerging bank SBACL is in growing stage. Loan portfolio grew by 11.43% and reached BDT 56,000.74 million at the end of December 2019. The Bank’s corporate loan shared 43.12% of the bank’s loan portfolio in 2019. The Bank’s top 50 funded loans and advance in 2019 was 3.91 times of core capital of the Bank. There is possibility of increased credit risk due to rapid business growth unless strictly monitored. In 2019, fresh NPL generation was 14.38% of total loans and advances. Cash recovery by SBACL was BDT 33.34 million in the same duration. Gross NPL ratio of Bank became 6.09% at the end of 2019 which was decreased to 5.48% at the end of June 2020. Moreover, SMA to total loans and advances was 4.47% at the end of 2019.

Tier I plus Tier II capital of the Bank reached BDT 8,371.06 million in 2019. However, the risk weighted asset of the Bank was insignificant as the loan portfolio size was small which depends on the duration of operational period. SBACL’s capital to risk weighted asset was 14.73% against regulatory requirement of 12.50% under Basel III at the end of 2019. The Bank’s equity to total deposit & borrowing ratio was 11.51% in 2019. The risk weighted asset of the rated corporate client of the Bank was BDT 10,253.98 million as of December 2019 against actual exposure of BDT 15,631.39 million. It is observed that 63.59% of the rated clients belong to ‘AAA & AA’ rating in 2019.

The Bank's asset was funded through deposit along with equity due to its span of operation. At the end of 2019, the Bank's total deposit was strongly dominated by term deposit (82.87% of total) followed by current deposit (7.69% of total) and savings deposit (6.05% of total). Contribution of low cost deposit base remained relatively lower mainly because of Bank's low market shares in deposit due to its short operation period. Therefore, average cost of deposit & borrowing was high at 7.91% in 2019. The Bank's liquid asset to deposit and borrowings was high at 36.46% in 2019.

The Bank actively participated in the call money market since its commencement and was net borrower throughout the year. At the end of 2018, LCR and NSFR of the Bank were 120.17% and 183.97% respectively. 120.17% LCR depicts that 120.17% of liquidity needs up to 30 calendar days of the Bank are covered by its unencumbered liquid assets.

In its current business process, SBACL is trying to acquire new customer base by spreading its business. As of December 2019, SBACL had 82 branches across the country. CRAB also factors the Bank's ownership structure, the board of directors, senior management, the business plan including financial projections, risk management and controls and the internal audit function while assigning the rating.

#### **d) Observations and risk factors as stated in the credit rating report.**

##### **Credit Risk**

CRAB reviews the fundamentals of managing credit risk including qualitative and quantitative analysis as a part of credit risk evaluation. Qualitative evaluation includes credit policy, credit and credit monitoring. CRAB addresses intrinsic risk, concentration risk as well as risk arising from large loan exposures.

##### **Credit policy and Approval Process**

The Bank has its credit and non-performing loan policies to comply with the CRM guidelines of Bangladesh Bank for better controlling and monitoring purpose as well as to reduce risk and different types of irregularities. Considering the key elements of credit risk, the Bank has segregated duties of the officers/executives involved in credit related activities. Separate divisions for corporate, SME and retail have been formed which are entrusted with the duties for marketing of credit products, maintaining effective relationship with the customers as well as for exploring new business opportunities etc. The Bank has approved centralized credit operations. Under this process, branch managers initiate credit proposals. After a thorough credit check and credit risk assessment of the client in light of Credit Risk Management Policy Guidelines of the Bank, the fully documented credit proposal is sent to the credit division to initiate credit approval process. Credit risk management division thoroughly scrutinizes the proposal from risk weighted point of view and obtained recommendation from CEC (Credit Evaluation Committee) to place the proposal to the competent authority for final approval. Management can approve credit facility up to certain limit for speedy disposal of client's proposal as per delegation allowed by the Board. Board of Directors and EC approves all credit proposals beyond the delegated business approval power of the management. Credit administration division is responsible for handling disbursement. Compellation of document formalities is the responsibilities of the Branch and Branch ensures CAD through Loan Documentation Check List (LDCL) that the loans have been documented properly.

##### **Credit Quality & Portfolio Analysis**

CRAB analyzes Bank's credit quality in terms of past trend; present scenario as well as future aspects. In 2019, loan growth was 11.43%. During the year BDT 3,408.95 million (absolute amount) evolve as non performing loan which grew significantly from last year. Gross NPL ratio became 6.1% of total loans and advance at the end of 30 December 2019. There are CRM division of SBACL which maintains supervision and monitoring to lower its non performing loan. In 2019, fresh NPL generation was significant shared 14.38% of total loans and advances. Loan reschedule was BDT 5,604.86 million shared 10.01% of total loan portfolio in 2019. Cash recovery during the same period was BDT 33.34 million shared 0.06% of total loans.

**Table 5**

NPL Movement of the Bank						
--Year ended December 31--						
Mil. BDT	2019		2018		2017	
Particulars	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans
Opening balance of NPL	991.66	1.77	375.26	0.75	375.25	0.87
Add: Fresh NPL generation	8,055.49	14.38	619.70	1.23	-	-
Less: Cash Recovery	33.34	0.06	3.30	0.01	-	-
Less: Rescheduling	5,604.86	10.01	-	-	-	-
Less: Write off	-	-	-	-	-	-
<b>Closing Balance of NPL</b>	<b>3,408.95</b>	<b>6.09</b>	<b>991.66</b>	<b>1.97</b>	<b>375.25</b>	<b>0.87</b>

The Bank's total loan portfolio reached BDT 56,000.74 million grew by 11.43% in 2019. In the product wise segregation corporate loans (shared 43.12% of total) incurred 7.68% of NPL in its sector while small and medium enterprise financing (shared 40.35% of total) had 6.87% NPL in its sector. In addition, other loans shared 12.30% of total loan outstanding in 2019. The loan portfolio of the Bank reduced to BDT 55,641.05 million in the 2<sup>nd</sup> QTR of 2020.

**Table 6**

Segment wise Loan portfolio	Loan outstanding	% in Total loan	NPL in each segment	% of NPL in segment
FY2019	Amount in BDT Mill		Amount in BDT Mill	
Corporate	24,147.10	43.12	1,855.50	7.68
SME	22,598.46	40.35	1,551.96	6.87
Retail	1,478.98	2.64	1.49	0.10
Agriculture Loan	889.38	1.59	-	-
Other	6,886.81	12.30	-	-
<b>Total</b>	<b>56,000.73</b>	<b>100.00</b>	<b>3,408.95</b>	<b>6.09</b>

The Bank maintained BDT 517.58 million as general provision for unclassified loans and advances including provision for off balance sheet exposures BDT 133.65 million in 2019. Due to fresh NPL generation during 2019 specific provision was maintained BDT 971.50 million.

**Table 7**
**Loan Loss Provision of the Bank**

Mil. BDT Particulars	--Year ended December 31--					
	2019		2018		2017	
	Amount	% of Total Loans (%)	Amount	% of Total Loans (%)	Amount	% of Total Loans (%)
General Provision Held	517.58	0.92	469.67	0.93	515.71	1.19
Specific Provision Held	971.50	1.73	516.58	1.03	82.92	0.19
<b>Total Provision Held</b>	<b>1,489.08</b>	<b>2.66</b>	<b>986.25</b>	<b>1.96</b>	<b>598.64</b>	<b>1.38</b>
Required Provision	2,096.75	3.74	1,211.09	2.41	598.64	1.38
<b>Provision Surplus/(deficit)</b>	<b>(607.68)</b>	<b>(1.09)</b>	<b>(224.83)</b>	<b>(0.45)</b>	<b>-</b>	<b>-</b>

CRAB looks at pre-provision profit (PPP) to net loans for assessing the Bank's ability to survive against unfavorable circumstances in future. The Bank's PPP to net loan ratio in 2019 was 4.15% (2018: 4.10%). Pre-provision profit to net loans of the Bank indicates that 4.15% of currently performing loans can be written off without charging on reserves and equity. The Bank's SMA to total loan ratio was 4.47% in 2019 whereas top 10 SMA loans shared 64.89% of total SMA loan in 2019.

**Large Loan Exposure**

As of 31 December 2019, the Bank's top 50 large loan exposures (both funded & non-funded) amounted to BDT30,668.20 million against approved facilities of BDT41,240.50 million. The Bank has relatively higher credit concentrations in terms of large loan exposure. The Bank's top 50 funded loans and advances in 2019 held 54.76% of total loan portfolio and 3.91 times of core capital of the Bank. Among these 50 large loan exposures, 46 loans were reported as unclassified at the end of 2019. The Bank's 20 clients loans aggregate amounted BDT14,372.43 million (both funded and non-funded) outstanding was more than 10.00% of the total capital in 2019.

**Loan Portfolio Analysis**

Economic purpose wise loan distribution of the bank showed that, loans and advances portfolio was dominated by trade and commerce (32.88% of total) followed by other manufacturing industries (19.06% of total) and textile and readymade garments combined shared (10.12% of total). In 2019, Sector wise NPL rate depicts that trade & commerce sector shared (11.00% NPL of total sector), agro based shared (10.49% NPL of total sector) and other manufacturing industries shared (6.50% NPL of total sector) experienced significant NPL rate.

**Table 8**

Economic Purpose wise loan segregation	Loan Portfolio(A)	% in Loan Portfolio	Sector wise NPL (B)	NPL % in sector
<b>For the year ended 30 Dec 2019</b>				
<b>( Amount in BDT Mill)</b>				
Agriculture, Fisheries & Forestry	889.38	1.59	-	-
Textile Mills	4,663.42	8.33	-	-
Rubber & Plastic Industries	1,159.70	2.07	-	-
Readymade Garments	1,005.53	1.80	-	-
Chemical Industries	502.13	0.90	-	-
Iron, Steel & Aluminum Industries	1,732.30	3.09	19.89	1.15
Hospital, Clinic & Pathology	431.07	0.77	-	-
Fuel & Electricity	503.18	0.90	-	-
Agro-based Industries	5,522.33	9.86	579.12	10.49
Printing & Packaging Industries	370.81	0.66	-	-
Transport	408.21	0.73	-	-
Real Estate	596.62	1.07	-	-
Other Manufacturing Industries	10,673.35	19.06	694.07	6.50
Financial Corporation	954.90	1.71	-	-
Household	596.60	1.07	9.33	1.56
Trade & Commerce	18,411.50	32.88	2,025.66	11.00
Consumer Credit	692.90	1.24	-	-
Others	6,886.80	12.30	80.88	1.17
<b>Total</b>	<b>56,000.73</b>	<b>100.00</b>	<b>3,408.95</b>	<b>6.09</b>

### Capital Adequacy

In 2019, Bank's paid up capital and statutory reserve reached BDT 7,703.83 million. The Bank's equity to total deposit & borrowing was 11.51% in 2019. Tier I and Tier II capital of the Bank reached BDT 8,393.08 million in 2019. However, the risk weighted asset of the Bank was insignificant as the loan portfolio size was small which depends on the duration of operational period. SBACL's capital to risk weighted asset ratio reduced to 14.73% against regulatory requirement of 11.87% including capital conservation buffer under Basel III at the end of 2019.

**Table 9**

Capital Structure of the Bank						
--Year ended December 31--						
Mil. BDT	2019		2018		2017	
Particulars	Amount	% of RWA	Amount	% of RWA	Amount	% of RWA
Tier 1 Capital	7,853.48	13.82	7,367.76	14.92	6,488.18	15.31
Tier 2 Capital	517.58	0.91	460.07	0.93	524.52	1.24
<b>Total Capital</b>	<b>8,371.06</b>	<b>14.73</b>	<b>7,827.83</b>	<b>15.85</b>	<b>7,012.70</b>	<b>16.54</b>
Required Capital @12.5%	7,104.30	12.50	5,863.94	11.87	4,715.86	11.25
<b>Capital Surplus/ (Shortfall)</b>	<b>1,266.76</b>	<b>2.23</b>	<b>1,963.89</b>	<b>3.98</b>	<b>2,296.84</b>	<b>5.29</b>

The risk weighted asset of the rated corporate client of the Bank was BDT 10,253.98 million as of December 2019 against actual exposure of BDT 15,631.39 million. It is observed that 63.59% of the rated clients belong to 'AA', 32.69% belong to "BBB" and 3.71% rated clients in unrated categories in 2019. RWCAR may be affected in near future if client ratings are not continued. The Bank conducted stress testing based on "Simple Sensitivity and Scenario Analysis". Stress test revealed that the Bank's capital adequacy ratio would be highly affected from enhanced non performing loan and default of top 10 large loan borrowers.

### Funding and Liquidity

In 2019, the Bank's asset was funded through deposit along with equity due to its duration of operation. At the end of 2019, the Bank's asset was funded by deposit (84.60% of total asset) followed by equity (9.89% of total asset). Total deposit of the Bank reached BDT 71,540.16 million in 2019 which was dominated by term deposit (82.87% of total deposit) followed by current deposit (7.69% of total deposit) and savings deposit (6.05% of total deposit).

**Table 10**

Funding Mix of the Bank									
--Year ended December 31--									
(Mil. BDT)	2019			2018			2017		
Particulars	Amount	%	Growth (%)	Amount	%	Growth (%)	Amount	%	Growth (%)
Current Deposit	5,502.07	7.69	15.89	4,747.68	8.01	38.16	3,436.32	6.86	13.26
Bills Payable	2,420.68	3.38	46.55	1,651.82	2.79	19.80	1,378.78	2.75	9.82
Savings Deposit	4,329.31	6.05	56.95	2,758.44	4.65	50.47	1,833.22	3.66	42.75
Term Deposit/Fixed Deposit	59,288.10	82.87	18.23	50,146.40	84.56	15.35	43,473.18	86.74	32.69
Other Deposit	-	-	-	-	-	-	-	-	-
<b>Total Deposit</b>	<b>71,540.16</b>	<b>100.00</b>	<b>20.63</b>	<b>59,304.33</b>	<b>100.00</b>	<b>18.32</b>	<b>50,121.49</b>	<b>100.00</b>	<b>30.74</b>

Advance to Deposit ratio of the Bank reached 78.3% at the end of 2019. Average monthly AD ratio was 82.9% in 2019. The Bank's top 10 depositors shared 4.00% of total deposit in 2019. Up to 2<sup>nd</sup> quarter of 2020, total deposit reached BDT66,265.8 million. A/D ratio at the end of 30 June, 2020 of the Bank was 84.0%.

**Table 11**

Month wise Advance to Deposit Ratio of the Bank												
--For the Year 2019--												
Mil.BDT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Loans / Advances	48,792.3	49,134.2	50,650.5	50,739.0	51,262.7	53,147.9	51,606.7	51,422.9	53,715.3	53,653.4	53,180.2	56,000.7
Deposit	59,045.3	58,359.4	58,781.0	58,200.0	59,695.2	63,082.9	62,304.9	63,409.8	64,886.5	65,475.5	68,585.7	71,540.2
<b>*A/D ratio (%)</b>	82.6	84.2	86.2	87.2	85.9	84.3	82.8	81.1	82.8	81.9	77.5	78.3

The average cost of deposit of the Bank was 7.91% in 2019. Average cost of deposit & borrowing of the Bank was high mainly because of Bank's fierce contest among existing industry players and short operation period. The Bank actively participated in the call money market since its commencement and was net borrower throughout the year. Call money market borrowing rate ranged from 5.0% to 3.5% in 2019. (Table 12)

**Table 12**

Month wise Call Market Operation of the Bank												
--For the Year 2019--												
Mil.BDT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Call Lending	250.0	118.0	106.3	96.3	131.7	306.1	400.0	-	10.0	160.0	432.5	425.0
Avg. Interest Rate (%)	4.5	4.5	4.5	4.5	4.5	4.5	4.1	-	5.0	4.5	2.8	4.2
Call Borrowing	544.1	618.8	282.9	235.8	125.0	193.7	975.2	337.6	374.7	897.7	1,021.1	1,084.2
Avg. Interest Rate (%)	3.5	4.3	4.5	4.5	4.5	4.4	2.5	4.6	5.0	4.4	4.0	4.4
<b>Call Lending/(Borrowing)</b>	<b>(294.1)</b>	<b>(500.8)</b>	<b>(176.6)</b>	<b>(139.5)</b>	<b>6.7</b>	<b>112.4</b>	<b>(575.2)</b>	<b>(337.6)</b>	<b>(364.7)</b>	<b>(737.7)</b>	<b>(588.6)</b>	<b>(659.2)</b>

The Asset-Liability maturity of the Bank shows that the Bank possessed positive net liquidity gap for all maturity buckets. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the Bank in 2019 were 120.17% and 183.97% respectively. The Bank's liquid asset to deposit and borrowings ratio was 36.46% in 2019.

**Table 13**

Liquidity Profile of the Bank						
As of 31 <sup>st</sup> December, 2019						
Mil.BDT	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 yrs	Total
Assets	18,397.81	18,102.67	22,308.13	11,529.94	14,225.45	84,564.01
Liabilities	14,264.04	17,594.68	22,036.13	10,699.15	11,607.04	76,201.04
<b>Net Liquidity Gap</b>	<b>4,133.77</b>	<b>507.99</b>	<b>272.00</b>	<b>830.80</b>	<b>2,618.40</b>	<b>8,362.96</b>
Cumulative Liquidity Gap	4,133.77	4,641.76	4,913.76	5,744.56	8,362.96	16,725.92
Gap as % of Liability (%)	28.98	2.89	1.23	7.77	22.56	10.97

**Table 14**

Interest Rate Risk Exposure				
Year ended December 31, 2019				
(Mil. BDT)	Up to 1 month	1-3 months	3-6 months	6-12 months
Interest Sensitive Assets	250.96	126.48	94.47	106.20
Interest Sensitive Liabilities	134.98	166.55	110.31	87.57
<b>GAP</b>	<b>115.98</b>	<b>(40.07)</b>	<b>(15.84)</b>	<b>18.63</b>
Cumulative Earning Impact (1% Points Interest Rate Increase)	0.10	0.03	(0.01)	0.08
Cumulative Earning Impact (1% Points Interest Rate Decrease)	(0.10)	(0.03)	0.01	(0.08)

The above exhibit 14 shows the maturity wise interest sensitive asset and liabilities and thereby the exposures to interest rate risk of the Bank. The Bank had asset sensitive positions in all maturity buckets except 1-3 months and 3-6 months bucket. GAP indicates that the Bank will be benefited on increasing interest rates and will suffer on decreasing interest rate scenario marginally. For 1 percentage point interest rate increase, the Bank will gain BDT 0.08 million and will lose the same amount for 1 percentage point interest rate decrease. The Bank is taking steps to reduce duration gaps by approving lower duration for assets and higher duration for liabilities.

#### Foreign Exchange Risk

The Bank is also exposed to potential changes in earnings like any other bank arising due to change in market price of currency and the position in the currency that is held during the changes. To address this issue, all foreign exchange activities have been segregated between Front office, mid office and Back office. The front office is involved only in dealing activities and the back office is responsible for all deals related settlement and support functions. Treasury mid-Office is responsible for risk analyzing and reporting functions.

**Table 15**

**Foreign Currency Exposure of the Bank**

Mil.BDT		As of 31 <sup>st</sup> December, 2019		
Particulars	Assets	Liabilities	Overall Net Positions	Net Positions/Core Capital (%)
USD	599.1	-	599.1	7.6
EURO	1.0	-	1.0	0.01
AUS	-	-	-	-
CAD	-	-	-	-
GBP	0.3	-	0.3	0.00
CHF	-	-	-	-
JPY	201.8	-	201.8	2.6

Treasury Division monitors the market scenario of risks and manages the foreign exchange operations in a way so that earnings are not hampered by any adverse movement in market prices. The Bank's overall net open position was dominated by US dollar having 7.6% of core capital as maximum FC settlements are being done by USD. Net open position of the Bank was within limit. Foreign currency dealing profit of the Bank was BDT 268.84 million in 2019.

(vii) Following Details of Underwriting:

a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them

Names and Address	Contact person	Telephone number, Fax number and E-mail	Amount of Underwriting
ICB Capital Management Ltd. Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89 Kakrail, Dhaka-1000.	Mr. Shukla Das Chief Executive Officer	Tel: +88-02-8300555 Fax: +88-02-8300396 E-mail: <a href="mailto:icmlbd@gmail.com">icmlbd@gmail.com</a>	21.00 Crore
LankaBangla Investments Ltd. Assurance Nazir Tower, Level-06 65/B, Kemal Ataturk Avenue Banani, Dhaka-1213.	Mr. Iftekhar Alam Chief Executive Officer	Tel: +88 02 830 05 55 Fax: + 88 02 830 03 96 e-mail: <a href="mailto:ceo@icml.com.bd">ceo@icml.com.bd</a>	3.00 Crore
Prime Finance Capital Management Ltd. PFI Tower (7th Floor), 56-57, Dilkusha C/A, Dhaka-1000.	Mr. Mohammad Rajibul Islam Head of Public Issue	Tel: +88 02 958 48 74 Fax: + 88 02 985 49 22 e-mail: <a href="mailto:info@primefincap.com">info@primefincap.com</a>	3.00 Crore
MIDAS Investment Ltd. Floor), House - #05, Road - 16 (New) 27 (old) Dhanmondi, Dhaka, 1209.	Mohammed Hafiz Uddin Chief Executive Officer	Phone : 09611221055, 9119371, Fax : 880-02-8142085 E-mail : <a href="mailto:info@midasinvbd.com">info@midasinvbd.com</a>	1.00 Crore
Rupali Investment Ltd. Shadharan Bima Tower (7th Floor) 37/A, Dilkusha C/A, Dhaka-1000.	Md. Harunur Rashid Chief Executive Officer	Phone: 47112923 Fax: 88-02-47118073 E-mail: <a href="mailto:info@riltd.org">info@riltd.org</a>	1.50 Crore
Uttara Finance Capital Management Ltd. Jibon Bima Tower (6th Floor), 10 Dilkusha C/A, Dhaka-1000	Mohammad Shahinur Rahman Managing Director	Tel: +880-2-8170281-85 & 8142680 Fax: +880-2-8142679 Email: <a href="mailto:info@uttarafinance.com">info@uttarafinance.com</a>	1.00 Crore
Sonali Investment Ltd. Borak Biz Center, 1st & 2nd Floor, 70 Dilkusha, Dhaka-1000	Md. Nurun Nabi Chief Executive Officer	Tel: 9568777, 9556940 Fax: Email: <a href="mailto:sonaliinvestmentltd@gmail.com">sonaliinvestmentltd@gmail.com</a>	1.00 Crore
MTB Capital Ltd. MTB Tower (Level 3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka 1000.	Khairul Bashar Abu Taher Mohammed Chief Executive Officer & SEVP	Phone: +88(02) 8321760 Fax: +88(02) 8321543 E-mail: <a href="mailto:info.mtbcap@mutualtrustbank.com">info.mtbcap@mutualtrustbank.com</a>	1.50 Crore
Roots Investment Ltd. Jibon Bima Tower (12th Floor) 10, Dilkusha C/A, Dhaka-1000.	Mohammad Sarwar Hossain Managing Director	Phone: +880247120445 Fax: +880247120447 Email: <a href="mailto:info.rgcml@gmail.com">info.rgcml@gmail.com</a> Web: <a href="http://www.rootsinvestment.com">www.rootsinvestment.com</a>	2.00 Crore
<b>Total</b>			<b>35.00 Crore</b>

**b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;**

**Declaration by the underwriters**

We are one of the underwriters of the Initial Public Offering (IPO) of South Bangla Agriculture & Commerce Bank Limited. We will underwrite total of BDT 210,000,000 (Twenty One crore) only on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For ICB Capital Management Limited

Sd/-  
**(Shukla Das.)**  
Chief Executive Officer  
ICB Capital Management Ltd.

Place: Dhaka  
Date: January 24, 2021

**Declaration by the Underwriter**

We are one of the underwriters of the initial public offering (IPO) of South Bangla Agriculture And Commerce Bank Limited. We will underwrite totaling to BDT 30,000,000 (Taka three crore) only on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter

Sd/-  
**(Md. Rezaul Haque)**  
Managing Director (CC)  
Prime Finance Capital Management Limited

Place: Dhaka  
Date: 11 January 2021

### Declaration by the Underwriter

We are one of the underwriters of the Initial Public Offering (IPO) of South Bangla Agriculture & Commerce Bank Limited. We will underwrite totaling to BDT. 15,000,000.00 (one crore fifty lac) only on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter

Sd/-

**(Md. Harunur Rashid)**  
Chief Executive Officer  
Rupali Invest Ltd.

Place: Dhaka

Date: 11 January 2021.

### DECLARATION BY THE UNDERWRITER

We are the underwriter of the Initial Public Offering (IPO) of **South Bangla Agriculture & Commerce Bank Limited**. We will underwrite totaling to Tk. 15,000,000.00 (Taka one crore fifty lac) on a firm commitment basis. In this connection we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Sd/-

**(Khairul Bashar Abu Taher Mohammed)**  
Chief Executive Officer & SEVP  
MTB Capital Limited

Place: Dhaka

Date: 11 January 2021

### DECLARATION BY THE UNDERWRITER

We are the underwriter of the Initial Public Offering (IPO) of **South Bangla Agriculture & Commerce Bank Limited**. We will underwrite totaling to Tk. 10,000,000.00 (Taka one crore) on a firm commitment basis. In this connection we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Sd/-

**(Mohammed Hafiz Uddin)**  
Chief Executive Officer  
Midas Investment Limited

Place: Dhaka

Date: 11 January 2021

### Declaration by the Underwriter

We are one of the underwriters of the Initial Public Offering (IPO) of South Bangla Agriculture & Commerce Bank Limited. We will underwrite totaling to BDT 10,000,000.00 (one crore) on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Sd/-  
**(Mohammad Shahinur Rahman)**  
Managing Director  
Uttara Finance Capital Management Limited

Place: Dhaka  
Date: 11 January 2021.

### Declaration by the Underwriter

We are one of underwriters of the Initial Public Offering (IPO) of South Bangla Agriculture & Commerce Bank Limited. We will underwrite totaling to BDT 10,000,000.00 (Taka One Crore) only a firm commitment basis. In this connection, we hereby declared that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter

Sd/-  
**(Md. Nurun Nabi)**  
Chief Executive Officer  
Sonali Investment Ltd.

Place: Dhaka  
Date: 11 January 2021

### Declaration by the Underwriter

We are one of the underwriters of the Initial Public Offering (IPO) of South Bangla Agriculture and Commerce Bank Limited. We will underwrite BDT 30,000,000.00 (Taka Three Crore) of total Public offer of BDT 1,000,000,000.00 for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-  
**(Iftekhar Alam)**  
Chief Executive Officer  
LankaBangla Investments Ltd.

Place: Dhaka  
Date: January 12, 2021

### **Declaration by the Underwriter**

We are one of the underwriters of the initial public offering (IPO) of South Bangla Agriculture And Commerce Bank Limited. We will underwrite totaling to BDT 20,000,000.00 (Taka two crore) only on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter

Sd/-

**(Mohammad Sarwar Hossain)**  
Managing Director/CEO  
Roots Investment Limited

Place: Dhaka

Date: 11 January 2021

#### **c) Major terms and conditions of the underwriting agreements:**

1. Thirty five percent (35%) of the issue has been underwritten on a firm commitment basis by the underwriter(s).
2. In case of under-subscription collectively up to 35% of a public issue, the unsubscribed portion of securities shall be taken up by the underwriter(s).
3. In case of under-subscription collectively above 35%, the public issue shall be cancelled.
4. The Issuer , in the eventl of under-subscription, shall send notice to the underwriter(s) within 10 (ten) days of closure of subscription calling upon them to subscribe to the securities of the company and pay for this in cash in full within 15 (fifteen) days of the sate of said notice and the said amount shall be credited into securities subscription account within the said period.
5. Within 7 (seven) days of the expiry of the aforesaid 15 (fifteen) days the company shall send proot of subscription ad deposit of the money by the underwriter(s) to the commission.
6. The Company shall pay to the underwriter an underwriting commission at the rate of 0.25% of the amount underwritten hereby agreed to be underwritten by it.

**(c) Capital Structure:**

**(i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration):**

At present, the SBAC Bank Ltd. has the authorized capital of Tk. 10,000,000,000.00 and the subscribed & paid-up capital is Tk. 6,846,455,170.00 which is comprised of 684,645,517 shares @Tk. 10.00 per share. The detail capital structure is given below:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value of Share (Tk.)	Paid-up Capital
		In cash	Other than in cash	Bonus		
1 <sup>st</sup> allotment (subscriber to the Memorandum & Articles of Association at the time of incorporation)	20-02-2013	40,8960,000	-	-	10.00	4,089,600,000.00
2 <sup>nd</sup> allotment	20-11-2016	-	-	24,537,600	10.00	245,376,000.00
3 <sup>rd</sup> allotment	12-06-2017	-	-	65,024,640	10.00	650,246,400.00
4 <sup>th</sup> allotment	26-08-2018	-	-	67,300,502	10.00	673,005,020.00
5 <sup>th</sup> allotment	18-06-2019	-	-	56,582,274	10.00	565,822,740.00
6 <sup>th</sup> allotment	17-09-2020	-	-	62,240,501	10.00	622,405,010.00
<b>Total</b>						<b>6,846,455,170.00</b>

**(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount):**

Particulars			%	No. of Ordinary Shares	Nominal Value	Issue Price	Issue Amount (Taka)
Initial Public Offering through Fixed Price Method	Eligible Investors (EI)	EI excluding mutual funds and CIS	30%	30,000,000	10.00	10.00	300,000,000.00
		Mutual Funds and CIS	10%	10,000,000			100,000,000.00
	General Public (GP)	GP Excluding NRB*	50%	50,000,000			500,000,000.00
		NRB	10%	10,000,000			100,000,000.00
<b>Total</b>			<b>100%</b>	<b>100,000,000</b>			<b>1,000,000,000.00</b>

GP excluding NRB\*: 50,000,000 Ordinary shares will be reserved for General Public and Affected Small Investors.

**(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue):**

The Company has no convertible instruments and share premium account.

Particulars	Amount in BDT
Paid up capital before the present issue	6,846,455,170.00
Paid up capital after the present issue	7,846,455,170.00
Paid up capital after conversion of convertible instruments (if any)	N/A
Share premium account before the present issue	N/A
Share premium account after the present issue	N/A

**(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

The paid-up capital of the Company is Tk. **6,846,455,170.00**. The Company intends to issue 100,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Initial public offering (IPO) totaling of Tk. 1,000,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instruments.

**Category wise shareholding structure with percentage before and after the present issue is as follows:**

SL	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Director & Sponsor	576,527,729	576,527,729	84.21%	73.48%
2	Institutional	45,259,442	75,259,442	6.61%	9.59%
3	Mutual Funds and CIS	-	10,000,000	-	1.27%
4	Individual	62,858,346	112,858,346	9.18%	14.38%
5	Non-Resident Bangladeshis (NRBs)	-	10,000,000	-	1.27%
<b>Total</b>		<b>684,645,517</b>	<b>784,645,517</b>	<b>100.00%</b>	<b>100.00%</b>

**v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;**

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time except Bonus Share:

Date of Issue	Persons to whom those are issued	No. of shares allotted	Relationship with the issuer	Issue price	Consideration & Valuation	Reasons for the issue	Benefit from the issue
20-11-2016	All existing shareholders	24,537,600	Shareholder	10.00	Other than Cash (Bonus)	Distribution of accumulated profit	Implementation of BASEL III Requirement to create investment Opportunity
12-06-2017		65,024,640		10.00			
26-08-2018		67,300,502		10.00			
18-06-2019		56,582,274		10.00			
17-09-2020		62,240,501		10.00			

**(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

The Bank has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

**(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The Bank has not issued equity shares under one or more employee stock option schemes.

**(viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

The Bank has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

**(ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Bank has no decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total Pre-IPO and Post-IPO issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
Mr. S. M. Amzad Hossain Chairman	Ordinary Share	MOA & AOA 20/02/2013	20000000	10	Cash	3.21 %	2.80 %	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	1200000	10	Other than Cash (Bonus)				
		18/01/2017 (transfer)	1200000	10	Cash				
		12/06/2017 (Bonus Issue)	3000000	10	Other than Cash (Bonus)				
		14/02/2018 (transfer)	3000000	10	Cash				
		26/08/2018 (Bonus Issue)	2700000	10	Other than Cash (Bonus)				
		26/12/2018 (transfer)	2700000	10	Cash				
		18/06/2019 (Bonus Issue)	2000000	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2200000	10	Other than Cash (Bonus)				
		30/11/2020 (transfer)	2200000	10	Cash				
		<b>Total</b>	<b>22000000</b>						
Begum SufiaAmjad Director	Ordinary Share	MOA & AOA 20/02/2013	19000000	10	Cash	3.36 %	2.93 %	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	1140000	10	Other than Cash (Bonus)				
		18/01/2017 (transfer)	1140000	10	Cash				
		12/06/2017 (Bonus Issue)	2850000	10	Other than Cash (Bonus)				
		14/02/2018	2850000	10	Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(transfer)							
		26/08/2018 (Bonus Issue)	2565000	10	Other than Cash (Bonus)				
		26/12/2018 (transfer)	2565000	10	Cash				
		18/06/2019 (Bonus Issue)	1900000	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2090000	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>22990000</b>						
Miss Tajori Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.52%	0.45%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	60000	10	Cash				
		12/06/2017 (Bonus Issue)	150000	10	Other than Cash (Bonus)				
		14/02/2018 (transfer)	150000	10	Cash				
		26/08/2018 (Bonus Issue)	135000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	113500	10	Other than Cash (Bonus)				
		27/07/2020 (Transfer)	1100000	10	Cash				
		17/09/2020 (Bonus Issue)	124850	10	Other than Cash (Bonus)				
		30-11-2020 (Transfer)	980750	10	Cash				
		30-11-2020 (Transfer)	110000	10	Cash				
		<b>Total</b>	<b>3564100</b>						

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
Mr. Abu Zafar Mohammad Shofiuddin Director	Ordinary Share	MOA & AOA 20/02/2013	20000000	10	Cash	4.89%	4.27%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	1200000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	3180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3291300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2767130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3043843	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>33482273</b>						
Mr. Abdul Kadir Molla Director	Ordinary Share	MOA & AOA 20/02/2013	40000000	10	Cash	4.89%	4.27%	3 Years	No Pledge
		27/06/2016 (Transfer)	20000000	10	Cash				
		30/06/2016 (Bonus Issue)	2400000	10	Other than Cash (Bonus)				
		27/12/2016 (Transfer)	1200000	10	Cash				
		12/06/2017 (Bonus Issue)	3180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3291300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2767130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3043843	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>33482273</b>						
Engr. Md. Moklesur Rahman Director	Ordinary Share	MOA & AOA 20/02/2013	20000000	10	Cash	4.89%	4.27%	3 Years	No Pledge
		30/06/2016	1200000	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		12/06/2017	3180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3291300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2767130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3043843	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>33482273</b>						
Mr. Md. Amzad Hossain Ex-Director	Ordinary Share	MOA & AOA 20/02/2013	6500000	10	Cash	N/A	N/A	N/A	N/A
		27/06/2016 (Transfer)	4000000	10	Cash				
		27/06/2016 (Transfer)	1000000	10	Cash				
		30/06/2016 (Bonus Issue)	390000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	390000	10	Cash				
		12/06/2017 (Bonus Issue)	225000	10	Other than Cash (Bonus)				
		13/07/2017 (transfer)	1725000	10	Cash				
		<b>Total</b>	<b>0</b>						
Al-Haj Mizanur Rahman Director	Ordinary Share	MOA & AOA 20/02/2013	20000000	10	Cash	3.53%	3.08%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	1200000	10	Other than Cash (Bonus)				
		02/04/2017 (Transfer)	1200000	10	Cash				
		12/06/2017 (Bonus Issue)	3000000	10	Other than Cash (Bonus)				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		04/10/2017 (transfer)	1000000	10	Cash				
		04/10/2017 (transfer)	1000000	10	Cash				
		04/10/2017 (transfer)	1000000	10	Cash				
		26/08/2018 (Bonus Issue)	2700000	10	Other than Cash (Bonus)				
		16/01/2019 (transfer)	2700000	10	Cash				
		18/06/2019 (Bonus Issue)	1000000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	1000000	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2200000	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>24200000</b>						
Captain M. Moazzam Hossain Director	Ordinary Share	MOA & AOA 20/02/2013	27000000	10	Cash	4.99%	4.35%	3 Years	No Pledge
		27/06/2016 (transfer)	7000000	10	Cash				
		30/06/2016 (Bonus Issue)	1620000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	3243000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3356505	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2821950	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3104145	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>34145600</b>						
Mr. Motiur Rahman	Ordinary	MOA & AOA	4000000	10	Cash	0.12%	0.10%	3 Years	No Pledge

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
Sponsor Shareholder	Share	20/02/2013							
		30/06/2016 (Bonus Issue)	240000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	636000	10	Other than Cash (Bonus)				
		27/06/2018 (transfer)	4876000	10	Cash				
		26/08/2018 (Bonus Issue)	658260	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	65826	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	72408	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>796494</b>						
Ms. Kamrun Nahar Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	5000000	10	Cash	1.56%	1.36%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	300000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	795000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	822825	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	691782	10	Other than Cash (Bonus)				
		27/01/2020 (transfer)	2087686	10	Cash				
		17/09/2020 (Bonus Issue)	969729	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>10667022</b>						
Ms. Mysha Khabir Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	4000000	10	Cash	0.64%	0.56%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	240000	10	Other than Cash (Bonus)				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		12/06/2017 (Bonus Issue)	636000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	658260	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	553426	10	Other than Cash (Bonus)				
		27/01/2020 (transfer)	2087686	10	Cash				
		17/09/2020 (Bonus Issue)	400000	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>4400000</b>						
Late Sanawar Bano Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	20000000	10	Cash	N/A	N/A	N/A	N/A
		04/03/2015 (Transfer)	16400000	10	Cash				
		30/06/2016 (Bonus Issue)	216000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	572400	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	592434	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	498083	10	Other than Cash (Bonus)				
		07/06/2020 (transmission)	1826305	10	Cash				
		07/06/2020 (transmission)	1826306	10	Cash				
		07/06/2020 (transmission)	1826306	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Iqbal Haider Chowdhury Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	5010000	10	Cash	1.23%	1.07%	3 Years	No Pledge
		30/06/2016	300600	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		12/06/2017	796590	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	824470	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	693166	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	762482	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>8387308</b>						
Mr. Mohammed Nazrul Islam Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.24%	0.21%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	159000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	164565	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	138356	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	152192	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1674113</b>						
Mr. A.K. Mizanur Rahman, FCA Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.24%	0.21%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	159000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	164565	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	138356	10	Other than Cash (Bonus)				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		17/09/2020 (Bonus Issue)	152192	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1674113</b>						
Padma Lamitube Ltd. Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	0.49%	0.43%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	318000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	329130	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	276713	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	304384	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>3348227</b>						
Mr. Mozaharul Haque Shahid Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	3000000	10	Cash	0.98%	0.85%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	180000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	477000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	493695	10	Other than Cash (Bonus)				
		30/04/2019 (transfer)	1383565	10	Cash				
		18/06/2019 (Bonus Issue)	553426	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	608768	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>6696454</b>						
Mr. Md. Emdadul Haque Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.24%	0.21%	3 Years	No Pledge

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	159000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	164565	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	138356	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	152192	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1674113</b>						
Mr. Md. Eathashamul Haque Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.24%	0.21%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	159000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	164565	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	138356	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	152192	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1674113</b>						
Mr. Kafil Uddin Bhuiyan Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1250000	10	Cash	0.31%	0.27%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	75000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	198750	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	205706	10	Other than Cash (Bonus)				
		18/06/2019	172945	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		17/09/2020 (Bonus Issue)	190240	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>2092641</b>						
Mr. Hafizur Rahman Babu Director	Ordinary Share	MOA & AOA 20/02/2013	15000000	10	Cash	3.67%	3.20%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	900000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	2385000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	2468475	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2075347	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2282882	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>25111704</b>						
Mr. Shahab Uddin Khan Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.24%	0.21%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	159000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	164565	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	138356	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	152192	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1674113</b>						
Abdul Gaffar & Co. (Pvt.) Ltd. Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	15500000	10	Cash	2.10%	1.83%	3 Years	No Pledge
		30/06/2016	930000	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		12/06/2017	2464500	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	2550757	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2144525	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2358978	10	Other than Cash (Bonus)				
		30-11-200 (transfer)	11600000	10	Cash				
		<b>Total</b>	<b>14348760</b>						
Mr. Anwar Hussain Director	Ordinary Share	MOA & AOA 20/02/2013	2500000	10	Cash	2.31%	2.01%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	150000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	397500	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	411413	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	345891	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	380480	10	Other than Cash (Bonus)				
		30/11/2020	11600000	10	Cash				
		<b>Total</b>	<b>15785284</b>						
Mr. Mohammad Imran Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	0.49%	0.43%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	318000	10	Other than Cash (Bonus)				
		26/08/2018	329130	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		18/06/2019	276713	10	Other than Cash (Bonus)				
		(Bonus Issue)							
		17/09/2020	304384	10	Other than Cash (Bonus)				
		(Bonus Issue)							
		<b>Total</b>	<b>3348227</b>						
Mrs. TahminaAfroz Director	Ordinary Share	MOA & AOA 20/02/2013	20000000	10	Cash	4.89%	4.27%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	1200000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	3180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3291300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2767130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3043843	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>33482273</b>						
Mrs. Shamima Hossain Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	3000000	10	Cash	0.73%	0.64%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	180000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	477000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	493695	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	415069	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	456576	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>5022340</b>						
Haji Shakhawat Anwara Eye Hospital Ltd	Ordinary	MOA & AOA	20000000	10	Cash	4.89%	4.27%	3 Years	No Pledge

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
Director	Share	20/02/2013							
		30/06/2016 (Bonus Issue)	1200000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	3180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3291300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2767130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3043843	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>33482273</b>						
Mr. Sk. Shyedujjaman Sponsor shareholder	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	0.40%	0.35%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	120000	10	Cash				
		12/06/2017 (Bonus Issue)	300000	10	Other than Cash (Bonus)				
		14/02/2018 (transfer)	300000	10	Cash				
		26/08/2018 (Bonus Issue)	270000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	227000	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	249700	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>2746700</b>						
Mrs. Farjana Farhad Sponsor shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	N/A	N/A	N/A	N/A
		27/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		27/06/2016 (Transfer)	1000000	10	Cash				
		18/01/2017 (Transfer)	60000	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Talukder Abdul Khaleque Vice -Chairman & Independent Director	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	N/A	N/A	N/A	N/A
		27/06/2016 (Transfer)	1000000	10	Cash				
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	120000	10	Cash				
		25/07/2017 (Bonus Issue)	150000	10	Other than Cash (Bonus)				
		25/07/2017 (Transfer)	1150000	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Mrinal Kanti Debnath Ex-Director	Ordinary Share	MOA & AOA 20/02/2013	6000000	10	Cash	N/A	N/A	N/A	N/A
		27/06/2016 (Transfer)	4000000	10	Cash				
		27/06/2016 (Transfer)	2000000	10	Cash				
		30/06/2016 (Bonus Issue)	360000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	360000	10	Cash				
				<b>Total</b>	<b>0</b>				
Mr. Sujit Kumar Saha Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	3000000	10	Cash	N/A	N/A	N/A	N/A
		27/06/2016 (Transfer)	2000000	10	Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		27/06/2016 (Transfer)	1000000	10	Cash				
		30/06/2016 (Bonus Issue)	180000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	180000	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Khan Habibur Rahman Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	N/A	N/A	N/A	N/A
		27/06/2016 (Transfer)	1000000	10	Cash				
		27/06/2016 (Transfer)	1000000	10	Cash				
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	120000	10	Cash				
		<b>Total</b>	<b>0</b>						
Ms.Sadnam Sadiana Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.20%	0.18%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	60000	10	Cash				
		12/06/2017 (Bonus Issue)	150000	10	Other than Cash (Bonus)				
		14/02/2018 (transfer)	150000	10	Cash				
		26/08/2018 (Bonus Issue)	135000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	113500	10	Other than Cash (Bonus)				
		17/09/2020	124850	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		<b>Total</b>	<b>1373350</b>						
Mr. S. M. Alamgir Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	4000000	10	Cash	N/A	N/A	N/A	N/A
		30/06/2016 (Bonus Issue)	240000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	636000	10	Other than Cash (Bonus)				
		14/02/2018 (transfer)	4876000	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. S. M. Jahangir Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	N/A	N/A	N/A	N/A
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	318000	10	Other than Cash (Bonus)				
		14/02/2018 (transfer)	2438000	10	Cash				
		<b>Total</b>	<b>0</b>						
Ms. Halima Khatun Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.32%	0.28%	3 Years	No Pledge
		27/06/2016 (transfer)	1000000	10	Cash				
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	60000	10	Cash				
		30-11-2020 (transfer)	2200000	10	Cash				
		<b>Total</b>	<b>2200000</b>						
Mr. Amit Ganguly Pallab Ex Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	N/A	N/A	N/A	N/A

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		27/06/2016 (Transfer)	1000000	10	Cash				
		27/06/2016 (Transfer)	1000000	10	Cash				
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	120000	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Goutam Kumar Kundu Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	5000000	10	Cash	N/A	N/A	N/A	N/A
		27/06/2016 (Transfer)	2000000	10	Cash				
		27/06/2016 (Transfer)	3000000	10	Cash				
		30/06/2016 (Bonus Issue)	300000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	300000	10	Cash				
<b>Total</b>	<b>0</b>								
Mr. Md. Rezaul Haque Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	N/A	N/A	N/A	N/A
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	159000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	164565	10	Other than Cash (Bonus)				
		30/04/2019 (transfer)	1383565	10	Cash				
<b>Total</b>	<b>0</b>								
Mr. Imtiaz Ahmed Ex-Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	N/A	N/A	N/A	N/A

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		27/06/2016 (transfer)	1000000	10	Cash				
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		18/01/2017 (Transfer)	60000	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Maksudur Rahman Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	17100000	10	Cash	3.63%	3.17%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	1026000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	2718900	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	2814061	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2365896	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2602485	10	Other than Cash (Bonus)				
		23/12/2020 (Transfer)	3744900	10	Cash				
<b>Total</b>	<b>24882442</b>								
Mr. Md. Mizanur Rahman Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	2100000	10	Cash	0.51%	0.45%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	126000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	333900	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	345587	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	290548	10	Other than Cash (Bonus)				
		17/09/2020	319603	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		<b>Total</b>	<b>3515638</b>						
Ms. Shamsun Nahar Rahman Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	2000000	10	Cash	0.49%	0.43%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	120000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	318000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	329130	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	276713	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	304384	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>3348227</b>						
Mr. Mohammed Ilias Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	15000000	10	Cash	0.40%	0.35%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	900000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	2385000	10	Other than Cash (Bonus)				
		14/09/2017 (transfer)	11000000	10	Other than Cash (Gift)				
		14/09/2017 (transfer)	900000	10	Other than Cash (Gift)				
		14/09/2017 (transfer)	2385000	10	Other than Cash (Gift)				
		27/12/2017 (transfer)	2000000	10	Cash				
		26/08/2018 (Bonus Issue)	270000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	227000	10	Other than Cash (Bonus)				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		17/09/2020 (Bonus Issue)	249700	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>2746700</b>						
Mr. Mohammad Ayub Director	Ordinary Share	MOA & AOA 20/02/2013	5000000	10	Cash	4.09%	3.57%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	300000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	795000	10	Other than Cash (Bonus)				
		14/09/2017 (transfer)	11000000	10	Other than Cash (Gift)				
		14/09/2017 (transfer)	900000	10	Other than Cash (Gift)				
		14/09/2017 (transfer)	2385000	10	Other than Cash (Gift)				
		26/08/2018 (Bonus Issue)	2751300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2313130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2544443	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>27988873</b>						
Mr. Muhammad Mohsin Ex-Director	Ordinary Share	MOA & AOA 20/02/2013	12000000	10	Cash	N/A	N/A	N/A	N/A
		30/06/2016 (Bonus Issue)	720000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	1908000	10	Other than Cash (Bonus)				
		27/06/2018 (transfer)	14628000	10	Cash				
		26/08/2018 (Bonus Issue)	1974780	10	Other than Cash (Bonus)				
		09/09/2018	1974780	10	Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(transfer)							
		<b>Total</b>	<b>0</b>						
M/S. Contech Construction Ltd. Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	20000000	10	Cash	4.89%	4.27%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	1200000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	3180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3291300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2767130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3043843	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>33482273</b>						
Mr. Ayaz Waris Khan Warisi Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.24%	0.21%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	159000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	164565	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	138356	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	152192	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1674113</b>						
Mr. Mohammad Abdul Hye Sponsor Shareholder	Ordinary Share	MOA & AOA 20/02/2013	1000000	10	Cash	0.24%	0.21%	3 Years	No Pledge
		30/06/2016 (Bonus Issue)	60000	10	Other than Cash (Bonus)				
		12/06/2017	159000	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		26/08/2018	164565	10	Other than Cash (Bonus)				
		(Bonus Issue)			(Bonus)				
		18/06/2019	138356	10	Other than Cash (Bonus)				
		(Bonus Issue)			(Bonus)				
		17/09/2020	152192	10	Other than Cash (Bonus)				
		(Bonus Issue)			(Bonus)				
		<b>Total</b>	<b>1674113</b>						
Mr. Mohammad Nawaz Director	Ordinary Share	Initial Purchase 04/03/2015	16400000	10	Cash	2.99%	2.61%	3 Years	No Pledge
		(Bonus Issue) 30/06/2016	984000	10	Other than Cash (Bonus)				
		12/06/2017 (Bonus Issue)	2607600	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	2698866	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2269046	10	Other than Cash (Bonus)				
		07/06/2020 (Transfer)	1826305	10	Transmitted				
		17/09/2020 (Bonus Issue)	2678581	10	Other than Cash (Bonus)				
		30-11-2020 (transfer)	8969047	10	Cash				
		<b>Total</b>	<b>20495351</b>						
Thermax Textile Mills Ltd. Director	Ordinary Share	Initial Purchase 27/06/2016	20000000	10	Cash	4.89%	4.27%	3 Years	No Pledge
		Purchase 27/12/2016	1200000	10	Cash				
		12/06/2017 (Bonus Issue)	3180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	3291300	10	Other than Cash (Bonus)				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		18/06/2019 (Bonus Issue)	2767130	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	3043843	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>33482273</b>						
Rupsha Fish & Allied Industries Ltd. Ex- shareholder	Ordinary Share	Initial Purchase 27/06/2016	1000000	10	Cash	N/A	N/A	N/A	N/A
		Purchase 27/06/2016	1000000	10	Cash				
		Purchase 27/06/2016	1000000	10	Cash				
		Purchase 27/06/2016	1000000	10	Cash				
		Purchase 27/06/2016	1000000	10	Cash				
		Purchase 27/06/2016	4000000	10	Cash				
		Purchase 27/06/2016	2000000	10	Cash				
		Purchase 27/06/2016	2000000	10	Cash				
		Purchase 27/06/2016	4000000	10	Cash				
		Purchase 27/06/2016	1000000	10	Cash				
		12/06/2017 (Bonus Issue)	2700000	10	Other than Cash (Bonus)				
		13/07/2017 (Transfer)	19700000	10	Cash				
		26/08/2018 (Bonus Issue)	135000	10	Other than Cash (Bonus)				
		26/12/2018 (transfer)	135000	10	Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		18/06/2019 (Bonus Issue)	100000	10	Other than Cash (Bonus)				
		27/07/2020 (transfer)	1100000	10	Cash				
		17/09/2020 (Bonus Issue)	110000	10	Other than Cash (Bonus)				
		30/11/2020 (transfer)	110000	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Md. Toyamur Islam Rasel Shareholder	Ordinary Share	Initial Purchase 27/06/2016	1000000	10	Cash	0.20%	0.18%	3 Years	No Pledge
		(Bonus Issue) 12/06/2017	150000	10	Other than Cash (Bonus)				
		(transfer) 14/02/2018	150000	10	Cash				
		(Bonus Issue) 26/08/2018	135000	10	Other than Cash (Bonus)				
		(Bonus Issue) 18/06/2019	113500	10	Other than Cash (Bonus)				
		(Bonus Issue) 17/09/2020	124850	10	Other than Cash (Bonus)				
<b>Total</b>	<b>1373350</b>								
Agrovita Limited Shareholder	Ordinary Share	Initial Purchase 27/06/2016	7000000	10	Cash	1.61%	1.41%	3 Years	No Pledge
		(Bonus Issue) 12/06/2017	1050000	10	Other than Cash (Bonus)				
		(Bonus Issue) 26-08-2018	1086750	10	Other than Cash (Bonus)				
		(Bonus Issue) 18/06/2019	913675	10	Other than Cash (Bonus)				
		(Bonus Issue) 17/09/2020	1005042	10	Other than Cash (Bonus)				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		<b>Total</b>	<b>11055467</b>						
Mr. Sajid Mohammad Saad Ex- Shareholder	Ordinary Share	Initial Purchase 27/06/2016	2000000	10	Cash	N/A	N/A	N/A	N/A
		Purchase 27/06/2016	1000000	10	Cash				
		Purchase 27/06/2016	1000000	10	Cash				
		Purchase 27/06/2016	3000000	10	Cash				
		Purchase 27/06/2016	1000000	10	Cash				
		12/06/2017 (Bonus Issue)	1200000	10	Other than Cash (Bonus)				
		26/06/2018 (transfer)	9200000	10	Cash				
		26/08/2018 (Bonus Issue)	1242000	10	Other than Cash (Bonus)				
		09/09/2018 (transfer)	1242000	10	Cash				
		<b>Total</b>	<b>0</b>						
Southern Foods Ltd. Shareholder	Ordinary Share	Initial Purchase 18/01/2017	1200000	10	Cash	4.99%	4.36%	3 Years	No Pledge
		Initial Purchase 18/01/2017	1140000	10	Cash				
		Initial Purchase 18/01/2017	60000	10	Cash				
		Initial Purchase 18/01/2017	390000	10	Cash				
		Initial Purchase 18/01/2017	120000	10	Cash				
		Initial Purchase 18/01/2017	60000	10	Cash				
		Initial Purchase	120000	10	Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		18/01/2017							
		Initial Purchase 18/01/2017	360000	10	Cash				
		Initial Purchase 18/01/2017	180000	10	Cash				
		Initial Purchase 18/01/2017	120000	10	Cash				
		Initial Purchase 18/01/2017	60000	10	Cash				
		Initial Purchase 18/01/2017	60000	10	Cash				
		Initial Purchase 18/01/2017	120000	10	Cash				
		Initial Purchase 18/01/2017	300000	10	Cash				
		Initial Purchase 18/01/2017	60000	10	Cash				
		12/06/2017 (Bonus Issue)	652500	10	Other than Cash (Bonus)				
		14/02/2018 (transfer)	3000000	10	Cash				
		14/02/2018 (transfer)	2850000	10	Cash				
		14/02/2018 (transfer)	150000	10	Cash				
		14/02/2018 (transfer)	300000	10	Cash				
		14/02/2018 (transfer)	150000	10	Cash				
		14/02/2018 (transfer)	4876000	10	Cash				
		14/02/2018 (transfer)	2438000	10	Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		14/02/2018 (transfer)	150000	10	Cash				
		26/08/2018 (Bonus Issue)	2553728	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	2147022	10	Other than Cash (Bonus)				
		27/07/2020 (transfer)	8225000	10	Cash				
		17/09/2020 (Bonus Issue)	2361725	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>34203975</b>						
Mr. Md. Mahin Shareholder	Ordinary Share	Initial Purchase 02/04/2017	1200000	10	Cash	0.28%	0.24%	3 Years	No Pledge
		12/06/2017 (Bonus Issue)	180000	10	Other than Cash (Bonus)				
		26/08/2018 (Bonus Issue)	186300	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	156630	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	172293	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1895223</b>						
Moonstar Polymer Export Ltd. Ex- Shareholder	Ordinary Share	Initial Purchase 13/07/2017	1725000	10	Cash	N/A	N/A	N/A	N/A
		13/07/2017 (transfer)	19700000	10	Cash				
		25/07/2017 (transfer)	1150000	10	Cash				
		26/08/2018 (Bonus Issue)	3047625	10	Other than Cash (Bonus)				
		26/12/2018 (transfer)	3047625	10	Cash				
		18/06/2019	2257500	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		27/07/2020 (transfer)	8225000	10	Cash				
		27/07/2020 (transfer)	16607500	10	Cash				
		17/09/2020 (Bonus Issue)	2483250	10	Other than Cash (Bonus)				
		30-11-2020 (transfer)	980750	10	Cash				
		30-11-2020 (transfer)	1502500	10	Cash				
		<b>Total</b>	<b>0</b>						
Mr. Mohammed Belal Shareholder	Ordinary Share	Initial Purchase 27/12/2017	2000000	10	Cash	0.40%	0.35%	3 Years	No Pledge
		26/08/2018 (Bonus Issue)	270000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	227000	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	249700	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>2746700</b>						
Mr. Tabassum Arifin Rahman Shareholder	Ordinary Share	Initial Purchase 04/10/2017	1000000	10	Cash	0.20%	0.18%	3 Years	No Pledge
		26/08/2018 (Bonus Issue)	135000	10	Other than Cash (Bonus)				
		(Bonus Issue) 18/06/2019	98500	10	Other than Cash (Bonus)				
		(Bonus Issue) 18/06/2019	15000	10	Other than Cash (Bonus)				
		(Bonus Issue) 17/09/2020	124850	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1373350</b>						
Mr. Eshmam Arifin Rahman	Ordinary	Initial Purchase	1000000	10	Cash	0.20%	0.17%	3 Years	No Pledge

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
Shareholder	Share	04-10-2017							
		26/08/2018 (Bonus Issue)	135000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	98500	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	15000	10	Other than Cash (Bonus)				
		18/06/2019 (transfer)	15000	10	Cash				
		17/09/2020 (Bonus Issue)	123350	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1356850</b>						
Ms. Mahia Binte Mizan Shareholder	Ordinary Share	Initial Purchase 04/10/2017	1000000	10	Cash	0.20%	0.17%	3 Years	No Pledge
		26/08/2018 (Bonus Issue)	135000	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	98500	10	Other than Cash (Bonus)				
		18/06/2019 (Bonus Issue)	15000	10	Other than Cash (Bonus)				
		18/06/2019 (transfer)	15000	10	Cash				
		17/09/2020 (Bonus Issue)	123350	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>1356850</b>						
Techno Electricals Ltd. Shareholder	Ordinary Share	Initial Purchase 27/06/2018	14628000	10	Cash	4.78%	4.17%	3 Years	No Pledge
		27/06/2018 (transfer)	9200000	10	Cash				
		09/09/2018 (transfer)	1974780	10	Cash				
		09/09/2018 (transfer)	1242000	10	Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		18/06/2019 (Bonus Issue)	2704478	10	Other than Cash (Bonus)				
		17/09/2020 (Bonus Issue)	2974925	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>32724183</b>						
Moonstar Ceramic Industries Ltd. Director	Ordinary Share	Initial Purchase 27-06-2018	4876000	10	Cash	4.99%	4.36%	3 Years	No Pledge
		26/12/2018 (transfer)	2700000	10	Cash				
		26/12/2018 (transfer)	2565000	10	Cash				
		26/12/2018 (transfer)	3047625	10	Cash				
		26/12/2018 (Transfer)	135000	10	Cash				
		18/06/2019 (Bonus Issue)	1332362	10	Other than Cash (Bonus)				
		27/07/2020 (Transfer)	16607500	10	Cash				
		17/09/2020 (Bonus Issue)	1465598	10	Other than Cash (Bonus)				
		30-11-2020 (transfer)	1502500	10	Cash				
		<b>Total</b>	<b>34231585</b>						
Mr. ABM Ruhul Amin Howlader Shareholder	Ordinary Share	Initial Purchase 16/01/2019	2700000	10	Cash	0.48%	0.42%	3 Years	No Pledge
		18/06/2019 (Bonus Issue)	270000	10	Other than Cash (Bonus)				
		18/06/2019 (transfer)	15000	10	Cash				
		18/06/2019 (transfer)	15000	10	Cash				
		17/09/2020	300000	10	Other than Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
		(Bonus Issue)			(Bonus)				
		<b>Total</b>	<b>3300000</b>						
SBAC Bank Suspense Account for Fractional Share	Ordinary Share	18/06/2019 (Bonus Issue)	10	10	Other than Cash (Bonus)	N/A	N/A	3 Years	No Pledge
		17/09/2020 (Bonus Issue)	11	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>21</b>						
Mr. Md. Yakub Shareholder	Ordinary Share	Transfer 07/06/2020	1826306	10	Cash	0.29%	0.26%	3 Years	No Pledge
		17/09/2020 (Bonus Issue)	182630	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>2008936</b>						
Mr. Mohammed Hasan Shareholder	Ordinary Share	Transfer 07/06/2020	1826306	10	Cash	0.29%	0.26%	3 Years	No Pledge
		17/09/2020 (Bonus Issue)	182630	10	Other than Cash (Bonus)				
		<b>Total</b>	<b>2008936</b>						
Ms. Sufia Begum Shareholder	Ordinary Share	Initial Purchase 30-11-2020	8969047	10	Cash	1.31%	1.14%	3 Years	No Pledge
		<b>Total</b>	<b>8969047</b>						

(xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

Details of aggregate shareholding by the Sponsors and Directors has been stated under (c) (x) of section VI.

**Transfer of specified securities by the sponsor or by the directors of the issuer:**

There is no such specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus from 01 July 2020 except the following:

Sl	Name of Sponsor & Director	Position	Number of Shares before Transfer/Purchase	Details of Transfer/Purchase			Aggregate shareholding in Number
				Date	Number of Shares	Transferor/ Transferee	
1	Mr. S. M. Amzad Hossain	Chairman	22,000,000	30-11-2020	22,00,000	Ms. Halima Khatun	22,000,000
2	Miss Tajori	Sponsor Shareholder	24,73,350	30-11-2020	980,750	Moonstar Polymer Export Ltd.	3,564,100
				30-11-2020	110,000	Rupsha Fish & Allied Industries Ltd.	
3	Abdul Gaffar & Co. (Pvt.) Ltd.	Sponsor Shareholder	25,948,760	30-11-2020	11,600,000	Mr. Anwar Hossain	14,348,760
4	Mr. Anwar Hussain	Director	4,185,284	30-11-2020	11,600,000	Abdul Gaffar & Co. (Pvt.) Ltd.	15,785,284
5	Ms. Halima Khatun	Sponsor Shareholder	0	30-11-2020	2,200,000	Mr. S. M. Amzad Hossain	2,200,000
6	Mr. Mohammad Nawaz	Director	29,464,398	30-11-2020	8,969,047	Ms. Sufia Begum	20,495,351
7	Moonstar Ceramic Industries Ltd.	Director	14,655,987	27-07-2020	16,607,500	Moonstar Polymer Export Ltd.	3,423,185
				30-11-2020	1,502,500		
8	Mr. Maksudur Rahman	Sponsor Shareholder	28,627,342	23-12-2020	3,744,900	Mr. Abdullah Jamil Matin	24,882,442

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument:

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned:

There is no employee in South Bangla Agriculture & Commerce Bank Limited who holds shares of the Company except in the post of company secretary, which holds 21 no. fractional bonus shares of the Bank.

**(d) Description of the Business:**

- (i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business, which the company and its subsidiaries are engaged in or propose to engage in:

South Bangla Agriculture & Commerce Bank Limited was incorporated on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 and also is governed by the Banking Companies Act, 1991.

The SBAC Bank Ltd. started its journey from February 20, 2013 after getting permission vide memo No. BRPD (P-3)/745(68)/2013-1076 dated 07 March 2013 as a scheduled Bank. The principal activities of the Bank are banking and related activities including accepting customer deposits, lending to retail, Small and Medium Enterprises (SMEs), Trade Financing, Lease Financing, Project Financing, Issuing Letters of Credit, Inter Bank Borrowing & lending and dealing in government securities and equity shares etc.

- (ii) Location of the project:

**Registered Office:**

BSC Tower, (5th - 16th Floor), 2-3, Rajuk Avenue, Motijheel, Dhaka-1000.

**Location of the Branches**

The following are the location of the branches:

Existing Branches		
SL	Branch Name	Address
01	Principal Branch	Zaman Chamber, 47, Dilkusha C/A, Dhaka - 1000
02	Hemayetpur Branch	Ashraf Shopping Complex, Jadurchar, Hemayetpur Bazar, Savar, Dhaka
03	Agrabad Branch	96, Agrabad Ba/A, Agrabad, Chattogram
04	Bhatiary Branch	N.D. Bhaban, DT Road, Bhatiary, Shitakunda, Chattogram
05	Khulna Branch	Chamber Building Complex, 05, KDA Avenue Khan a Sobur Road, Khulna
06	Katakhali Branch	Katakhali More, Khulna Mongla Road, Fakirhat, Bagerhat
07	Keranigonj Branch	Aktar Tower, Bridze Road, South Kadamtoli Aganagar, South Keranigonj, Dhaka.
08	Uttara Branch	Plot-71, Sector-07, Cosmo Shopping Centre, Azampur, Uttara, Dhaka.
09	Gulshan Branch	Casablanca 114, Gulshan Avenue, Dhaka-1212.
10	Velanagar Branch	Mahbub Molla Concord Tower, Jailkhana More, DC Road, Narshingdi Sadar,

Existing Branches		
SL	Branch Name	Address
		Narshingdi.
11	Imamgonj Branch	Crown Bhaban 59, Midford Road, Imamgonj, Dhaka.
12	Ashulia Branch	Holding: 4104 Baipile, Bashundhara, Ashulia, Dhaka.
13	Dhanmondi Branch	A M M Center, Shat Masjid Road Road: 3/A, House: 56/A, Dhanmondi, Dhaka.
14	Sylhet Branch	11, Naya Shorok, Sylmart Complex, East Zinda Bazar, Sylhet.
15	Jubilee Road Branch	Ali Building (2nd Floor), 837, Jubilee Road, Chattogram.
16	Bogura Branch	Talukdar Ratul Plaza, (2nd & 3rd Floor), 398, Rangpur Road, Borogola, Ward No: 5, Bogra Sadar, Bogra.
17	Mawna Branch	Hazi Abdul Khaleque Master Super Market, Mulaid, Telihati, Sreepur, Gazipur.
18	Islampur Branch	Siddik Mansion, Islampur Bazar, Shahporan, Sylhet.
19	Modunaghat Branch	South Madarsha, Rashid Bari, Hathazari, Chattogram.
20	Shyamnagar Branch	Moti Morol Super Market, Badghata, Shyamnagar, Satkhira.
21	Gazipur Branch	Tajpur Tower (2nd Floor), Bhaol College Road, Chandona Chowrasta, Gazipur.
22	Moynamoti Branch	Mostafa Palace and Hazi Faruk Plaza, Nischintopur, Moynamoti Cantonment, Cumilla.
23	Bangla Bazar Branch	Patowari Plaza (1st Floor), Nadna, Bangla Bazar, Sonaimuri, Noakhali.
24	Banani Branch	Suvastu Suraiya Trade Center, (1st & 2nd Floor), 57 Kemal Ataturk Avenue, Block: B, Banani, Dhaka.
25	Chuknagar Branch	Holding # 240 (1st Floor), Chuknagar, Dumuria, Khulna.
26	Satkhira Branch	Holding # 44/46 (Gr. Floor), Sultanpur, Satkhira Sadar, Satkhira.
27	Barishal Branch	City Plaza (1st & 2nd Floor), 449 K.B. Hemayet Uddin Road, Barishal.
28	Sarbolokkhona Branch	Holding #26 (1st Floor), Bagher Bita Bazar, Sarbolokkhona, Manohardi, Narsingdi.
29	Rajshahi Branch	ARC Bijoy Tower, 30 (New), Rani Bazar, Boalia, Rajshahi.
30	Nababpur Branch	Holding: 219/220 (Old), 42 (New), Nababpur Road, Sutrapur, Dhaka.
31	Mirpur Branch	Galaxy Hospital Bhaban, Holding: 29 & 30, Section: 06, Main Road: 01, Mirpur, Dhaka.
32	Shibu Market Branch	Kutub Ail, Khijirpur, Fatullah, Narayanganj.
33	Ghonapara Branch	Ghonapara, Vate Dour, Gopalganj.
34	Digraj Branch	Shaheen Market, Digraj, Biddar Baon, 2 Burir Danga-Union, Mongla, Bagerhat.
35	Baburhat Branch	1st Lane, Manchester City (1st Floor), Shakerchar, Baburhat, Narsingdi.
36	Narayanganj Branch	Building: 71, 99 Bangabandu Road, Ukil Para, Narayanganj.
37	Motijheel Branch	64 Purana Paltan, Motijheel, Dhaka.
38	Rangpur Branch	Paper Palace Tower (1st Floor), Paira Chattar, Rangpur.
39	Jashore Branch	36 (Old), 84 (New) Rabindranath Road, (1st Floor), Jashore.
40	Takerhat Branch	Takerhat Mor, Takerhat, Madaripur.
41	Fatikchhari Branch	S A Centre (1st Floor), College Road, Bibirhat, Fatikchhari, Chattogram.
42	Nasirabad Branch	Yakub Trade Centre, 89/304 East Nasirabad, Chattogram.
43	Bhomra Branch	C&F Association Bhaban, (1st Floor), Bhomra, Satkhira.
44	Morrelganj Branch	Morrelganj Bazar Main Road, Morrelganj, Bagerhat.
45	Hasnabad Branch	Shamsu Rani Vila, Hasnabad, Ekuria, South Keranigonj, Dhaka.
46	Kharabad Baintola Branch	Kharabad Baintola, Amirpur, Botiaghata, Khulna.
47	Chalakchor Branch	Chalakchor Bazar, Near Chalakchor Bus Stand, Monohordi, Narshingdi.
48	Panthapath Branch	Selim Center, 19/2, West Panthapath, Dhaka.
49	Mouchak Branch	Mouchak, Kaliakair, Gazipur.
50	Maligram Branch	Maligram Bazar, Vanga, Faridpur.
51	Chattogram EPZ Branch	Amin Tower, Bondortila, EPZ, Chattogram.
52	Dinajpur Branch	Moniza Khatun Complex, Buti Babur More, South Munchipara, Dinajpur.
53	KDA C/A Branch	A 51, Mojid Avenue, Shib Bari, Khulna.
54	Natore Branch	House: 555 (1st floor), Nahar Market, Kanaikhali, Natore.
55	Feni Branch	House: 371 (1st floor), Opposite to Feni Tower, SSK Road, Feni.
56	Kushtia Branch	Nurul Islam Tower, 262/2 (1st floor), NS Road, Kushtia.
57	Labonchora Branch	Madina Tower, Banda Bazar, Labonchora, Main Road, Khulna.

Existing Branches		
SL	Branch Name	Address
58	Pragati Sarani Branch	G-99/3/A&B, Manama M.S.Toren, Pragati Sarani, Middle Badda, Dhaka.
59	Khatungonj Branch	Achiya Manson, 282 Khatungonj, Kotowali, Chattogram.
60	Amin Bazar Branch	Haji Shafiullah Community Center, 2nd Floor, Amin Bazar, Savar, Dhaka.
61	Banari Para Branch	261, Shanto Shisto Complex, Banari Para, Barishal.
62	Faltita Branch	Battola Bazar, Faltita, Fakirhat, Bagerhat.
63	Addabazar Branch	Adda bazar, union: Adda, Barura, Comilla.
64	Jibonnagar Branch	Torofder new market, Jibannagar Bazar, Chuadanga.
65	SBAC Corporate Branch	BSC Tower, (2nd - 3rd Floor), 2-3 Rajuk Avenue, Motijheel, Dhaka-1000
66	Abdullahpur Branch	Anwar Hossain Plaza, (Ground floor), Abdullahpur Bus Stand, South Keraniganj, Dhaka.
67	Bhulta Branch	Rabet Al Hasan Shopping Center (2nd floor), Bhulta Bus Stand, Bhulta
68	Nazipur Branch	Dhamurhat Road, Potnitola, Naogaon.
69	Birganj Branch	Datta Plaza, Sujalpur, Birganj, Dinajpur.
70	Mehendigonj Branch	Amin Bhabhan (1st Floor), Uttar Bazar, SarnakarPotti, Patarhat Bandar, Mehendigonj, Barishal.
71	Mymensingh Branch	Akil & Brothers, 19, Borobazar, Mymensingh.
72	Cumilla Branch	Ever Green, Khadi Museum (1st floor), Manoharpur, Cumilla.
73	Bhola Branch	Bangla School Moor, (Opposite of Brac Bank), Sadar Road, Bhola.
74	Bashundhara Branch	Mohila Badar Heights (2nd Floor), Plot# 262 & 263, Block # B, Road #1, Sobhan Sarak, Bashundhara R/A, Dhaka.
75	Babubazar Branch	A.K. Adil Femus Tower, 2,2/A, KP Gosh Street, Armanitola, Dhaka.
76	Ramganj Branch	Anowar Khan Tower (1st & 2nd Floor), Holding No: 283, Hajigonj-Ramgonj Road, Ramgonj Municipality, Lakshmipur.
77	Kaliganj Branch	Rahmania Super Market, Kaliganj Municipality, Kaliganj Upazila, Jhenaidah.
78	Palashbari Branch	Zannat Lodge, Kalibari Bazar Road, Palashbari, Gaibandha.
79	Mohakhali Branch	4 Bir Uttam AK Khondokar Road, (Ground Floor) Mohakhali C/A, Amtoli (Beside Pubali Bank Mohakhali Br), Dhaka-1212.
80	Bhandaria Branch	N Haque and Sons Market, Shahid Minar Road, (Reserve Pukur Par), Bhandaria, Pirojpur.
81	Lohagara Branch	Ice Park (1st Floor), Lohagara, Chattogram.
82	Benapole Branch	Rahman Chember, Jessore Benapole highway Road, Word No. 7, Sharsha, Jessore.
83	Khan Jahan Ali Mazar Branch	Khan Jahan Ali Mazar Mor, Vill: Ron-Bijoypur, Union: Shaat Gambuj, Bagerhat.

Sub-branches		
SL	Sub-branch Name	Address
01	Gopalganj Sub Branch	Munchi Super Market, Jutta Potti Road, Word No. 4, Gopalganj Sadar, Gopalganj
02	Jatrabari Sub Branch	99, Shahid Faruk Road, Jatrabari, Dhaka.
03	Rayenda Bazar Sub Branch	Kapuri Garments Potti, Rayenda Bazar, Sarankhola, Bagerhat.
04	Rupatoli Sub Branch	Sikdar Tower, Rupatoli Sarak, Barisal City Corporation, Barishal.
05	Pacchor Sub Branch	Babu Sarkar Building, Paccor Girls School Road, Madhobchor, Shibchor, Madaripur.
06	Muladi Sub Branch	Al-amin Tower, Holding No- 2391, Sadar Road, Ward No- 06, Muladi, Barishal.
07	Hatirpul Sub Branch	Taher Plaza (1st Floor), 158, C R Dutta Road, Dhaka.
08	Yusuf Ali Market Sub Branch	Sarker Shopping Complex, Yusuf Ali Market (1st Floor), Dhanik, Ashulia, Dhaka.
09	Laxmipur Sub Branch	Holding #188; Word # 06; Grater Road; Laxmipur; Rajpara, Rajshahi.
10	Dhupchanchia Sub Branch	Dhupchanchia CO Office Road, Walton Plaza (1st Floor), Dhupchanchia, Bogura.
11	Gopalpur Sub-Branch	Niketon (Ground Floor), Holding: 145, Gopalpur Bazar Road, (Beside Railway Station), Gopalpur, Lalpur, Natore.

**(iii) Plant, machinery, technology, process etc.**

**Plant, machinery:**

The issuer company is a licensed Commercial Bank. Hence it does not have any plant and machinery for serving its client.

**Technology:**

The biggest revolution came in banks is Digitization. Banking process is faster than before and more reliable. Maintenance and retrieval of documents and records have become much faster and easier. Computerized banking also improves the core banking system. Almost all banks have introduced Core Banking Solutions for their day-to-day operations. As such, banks are using the technology for Back end operations such as Analytics, Data storage and retrieval, Customer Relationship Management (CRM), advances processing, report generation and decision making process.

Technology has also helped the organization to develop innovative financial services. The development of better payment systems is a key challenge for organizations. South Bangla Agriculture & Commerce Bank Limited has started its journey through a full pledged centralized online banking system under the well-equipped structured ICT system. Being a fourth-generation bank, South Bangla Agriculture & Commerce Bank Limited adopts the maximum technological advantages over the modern banking business arena which is still ongoing.

Currently we are using FLORABANK one of the top most core banking software of the world for providing superior customer service.

Considering all, overall ICT activities & performance along with achievements are described as below:

- Card Service;
- Internet Banking;
- Mobile Banking;
- SMS Banking;
- Bill Pay Service and
- Call center.

(iv) Detail of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/ or key management personnel etc.

History of the issuer	South Bangla Agriculture & Commerce Bank Limited (SBAC Bank) was incorporated on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 and also is governed by the Banking Companies Act, 1991.
Bank License from Bangladesh Bank	25 March 2013
Launching of commercial operation	SBAC Bank started its journey from 20 February 2013 after getting permission vide memo No. BRPD (P-3)/745(68)/2013-1076 dated 07 March 2013 as a scheduled Bank.
Opening of First Branch	Principal Branch
Capital raise (Last)	<b>Tk. 622,405,010.00 (17 September 2020)*</b>
Products and Services	<p>The Bank through its Branches offers a diverse range of loan and deposit products such as:</p> <p>Liability Products:</p> <ul style="list-style-type: none"> <li>• Saving Account</li> <li>• Surokkha Sonchoyi Hisab</li> <li>• Short Term Notice Deposit</li> <li>• Term Notice Deposit</li> <li>• Student Savings Account Tk. 10, 50 &amp; 100</li> <li>• Privileged Account</li> <li>• Senior Citizen Account as Checking Accounts.</li> </ul> <p>Asset Product:</p> <ol style="list-style-type: none"> <li>1. Corporate Financing: <ul style="list-style-type: none"> <li>• Working Capital Finance</li> <li>• Project Finance</li> <li>• Term Finance</li> <li>• Trade Finance</li> <li>• Lease Finance</li> <li>• Syndication Loan</li> </ul> </li> <li>2. Retail Credit: <ul style="list-style-type: none"> <li>• Consumer Finance</li> <li>• Credit Card-Local, International Card, Dual Currency Card</li> </ul> </li> <li>3. SME Financing: <ul style="list-style-type: none"> <li>• Working Capital Loan CC(Hypo), CC(Pledge)</li> <li>• Trade Finance (L/C, LTR, IDBP)</li> <li>• Transport Loan</li> <li>• Commercial/ResidentialHouse Building Loan</li> <li>• Work Order Loan</li> <li>• Bidder's Loan</li> <li>• Project Loan</li> <li>• Women Entrepreneur's Loan</li> <li>• Small Business Loan</li> <li>• Green Financing</li> </ul> </li> <li>4. Agriculture Credit: <ul style="list-style-type: none"> <li>• General Agricultural Credit</li> </ul> </li> </ol>

Market for the Product	Throughout the country by branches network.
Change in ownership/key management personnel	<p>The following ownership/key management personnel has been appointed;</p> <p>a) Mr. Mosleh Uddin Ahmed was appointed as Managing Director and CEO on 01 May 2021.</p> <p>b) Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 &amp; his notice period was ended 30 April 2021.</p> <p>c) Mr. Tariqul Islam Chowdhury was appointed as Managing Director and CEO on 01 July 2020.</p> <p>d) Mr. Shafiuddin Ahmed was appointed to DMD on 30 December 2019.</p> <p>e) Md. Md. Altaf Hossain Bhuyan was newly appointed as DMD on 30 December 2019.</p> <p>f) Mr. Md. Kamal Uddin was newly appointed as DMD on 30 December 2019.</p> <p>g) On 27 January 2020, Mst. Nasima Begum appointed as Nominee Director on behalf of Thermax Textile Mills Ltd.</p> <p>h) On 01 October 2020, Ms. Kamrun Nahar was vacated by law and continuing as sponsor shareholder of the Company.</p> <p>i) Moonstar Polymar Export Ltd. vacated the position of shareholder on 30 November 2020.</p> <p>j) Mrs. Sufia Begum became shareholder on 30 November 2020 by purchasing share from Mr. Mohammad Nawaz.</p>

(v) **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data:**

**Principal products:**

The Bank through its branches across the country offers a diverse range of loan and deposit products.

**Market for such Products:**

The Bank offers the services through its Branches in different locations of Bangladesh.

**Past trends and future prospects regarding local market:**

Last 5 years' interest income of The SBAC Bank Limited:

(Taka in crore)

Sl. No.	Particulars	30 Sep 20 (9 Month)	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Interest Income	463.81	735.73	642.04	476.49	384.40	286.11

**Local market, demand and supply forecasts for the sector:**

The growth of bank deposits rose from 10.5 percent at the end of Q4FY20 to 12.4 percent (from BDT 13,054.73 billion to BDT 13,454.36 billion) at the end of Q1FY21 amid COVID-19 pandemic, reflecting mainly higher remittance inflows (49.05 percent y-o-y). Moreover, the growth of advances also witnessed an increase from 9.0 percent at the end of Q4FY20 to 9.6 percent (from BDT 10,647.13 billion to BDT 10,655.7 billion) at the end of Q1FY21; loan disbursement from the stimuli packages might help such acceleration. As the bank deposits grew faster than bank advances, the overall advance deposit ratio fell from 76.2 percent at the end of Q4FY20 to 74.0 percent at the end of Q1FY21. The liquidity conditions in the banking sector remained adequate and improved further at the end of

Q1FY21, partly due to easing CRR policy, higher remittance inflows, and intervention in the foreign exchange market. Likewise, excess liquidity, the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL), increased to 12.6 percent in Q1FY21 compared to that of 10.7 percent in Q4FY20.<sup>1</sup>

Banks' advances increased by Tk. 14035.74 crore or 1.34% to Tk. 1062724.18 crore during the quarter Jul.-Sep., 2020 as compared to an increase of Tk. 27578.91 crore or 2.70% and Tk. 9559.50 crore or 1.00% respectively during the preceding quarter (Apr.-Jun., 2020) and the corresponding quarter (Jul.-Sep., 2019) of the last year. Banks advances in urban areas increased by Tk. 12466.75 crore or 1.33% to Tk. 952709.69 crore and in rural areas increased by Tk. 1568.99 crore or 1.45% to Tk. 110014.49 crore during the quarter under review. At the end of September, 2020 Banks advances exhibited a sharp increase by Tk. 101717.00 crore or 10.58% over September, 2019.<sup>2</sup>

Weighted average rates of interest on deposits and advances were 4.89% & 8.04% respectively at the end of the quarter under review as compared to 5.02% & 8.03% in Apr.- Jun., 2020 and 5.75% & 9.72% in Jul.-Sep., 2019 quarters respectively.<sup>2</sup>

Total credit of the Scheduled banks increased by Tk. 14096.63 crore or 1.31% to Tk. 1090709.68 crore during the quarter under review as compared to an increase of Tk. 25330.98 crore or 2.41% and Tk. 8128.61 crore or 0.82% respectively during the preceding quarter (Apr.-Jun., 2020) and the corresponding quarter (Jul.-Sep., 2019) of the last year.<sup>2</sup>

The Scheduled banks' investment increased by Tk. 35532.11 crore or 12.94% to Tk. 310099.99 crore at the end of the quarter Jul.-Sep., 2020 as compared to an increase of Tk. 31429.26 crore or 12.93% and Tk. 21268.24 crore or 9.98% respectively during the preceding quarter (Apr.- Jun., 2020) and the corresponding quarter (Jul.- Sep., 2019) of the last year.<sup>2</sup>

Source: 1. Bangladesh Bank Quarterly, July-September 2020, Volume-XVIII No.1;

2. Quarterly Scheduled Banks Statistics, July-September 2020;

**(vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues:**

SL.	Name of Products	For the period ended Sep 30, 2020 (9 Months)		For the year ended Dec 31, 2019	
		Revenue (Tk.)	Percentage	Revenue (Tk.)	Percentage
1	Loans & Advances Products	4,638,102,014.00	72%	7,357,320,782.00	79.97%
2	Investment in Treasury Bond & Share Market	1,399,926,768.00	22%	1,217,521,317.00	13.23%

**(vii) Description of associates, subsidiary and holding Company of the issuer and core area of business thereof:**

There are no Associates, Subsidiary and holding company of the South Bangla Agriculture & Commerce Bank Limited except SBAC Foundation and Offshor Banking Unit. However, the company recently formed a subsidiary company named SBAC Bank Investment Limited which incorporation date is 21 March 2021.

**(viii) How the products or services are distributed with details of the distribution channel, export possibilities and export obligation, if any:**

The loan and deposit products are offered through its Branches in different locations of Bangladesh.

**Export possibilities and export obligations:**

The Company does not have any export possibilities and export obligation. However, South Bangla Agriculture & Commerce Bank Ltd. facilitates export business to its customers under jurisdiction of Banking Company Act, 1991 and different rules and regulations.

**(ix) Competitive conditions in business with names, percentage and volume of market share of major competitors:**

There are 60 scheduled banks in Bangladesh who operate under full control and supervision of Bangladesh Bank of which 42 private commercial banks (PCBs) are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:

**Conventional PCBs:** 34 conventional PCBs are now operating in the industry. They perform the banking functions in conventional fashion i.e interest-based operations. The conventional PCBs are the major competitors of South Bangla Agriculture & Commerce Bank Limited.

**Islami Shariah based PCBs:** There are 8 Islami Shariah based PCBs in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.

The principal activities of the Bank are banking and related activities including accepting customer deposits, lending to retail, Small and Medium Enterprises (SMEs) and corporate customers, Trade Financing, lease financing, project financing, issuing Letters of Credit, inter bank borrowing and lending and dealing in government securities and equity shares etc.

The names of 32 private commercial banks, which are the direct competitors of South Bangla Agriculture & Commerce Bank Ltd. are given below:

Sl. No.	Name of the Banks
1.	AB Bank Limited
2.	Bangladesh Commerce Bank Limited
3.	Bank Asia Limited
4.	BRAC Bank Limited
5.	City Bank Limited
6.	Community Bank Bangladesh Limited
7.	Dhaka Bank Limited
8.	Dutch-Bangla Bank Limited
9.	Eastern Bank Limited
10.	IFIC Bank Limited
11.	Jamuna Bank Limited
12.	Meghna Bank Limited
13.	Mercantile Bank Limited
14.	Midland Bank Limited
15.	Modhumoti Bank Limited
16.	Mutual Trust Bank Limited
17.	National Bank Limited
18.	National Credit & Commerce Bank Limited
19.	NRB Bank Limited
20.	NRBC Bank Limited
21.	NRB Global Bank Ltd.
22.	One Bank Limited
23.	Padma Bank Limited

Sl. No.	Name of the Banks
24.	Premier Bank Limited
25.	Prime Bank Limited
26.	Pubali Bank Limited
27.	Standard Bank Limited
28.	Shimanto Bank Ltd.
29.	Southeast Bank Limited
30.	Trust Bank Limited
31.	United Commercial Bank Ltd.
32.	Uttara Bank Limited

Apart from this, as per the published annual report of 2019 of the major listed Banks and audited financial statements of South Bangla Agriculture & Commerce Bank Limited, the total operating income of the major competitors is presented below:

Amount in BDT

SL	Name of the Banks	Total Operating Income	Year End	Percentage
1.	AB Bank Limited	13,054,023,129.00	31 December	3.86%
2.	Bangladesh Commerce Bank Ltd.	884,544,681.00	31 December	0.26%
3.	Bank Asia Limited	16,350,172,832.00	31 December	4.84%
4.	BRAC Bank Limited	27,819,479,048.00	31 December	8.23%
5.	City Bank Limited	18,982,956,203.00	31 December	5.62%
6.	Community Bangladesh Ltd.	320,262,444.00	31 December	0.09%
7.	Dhaka Bank Limited	10,972,385,411.00	31 December	3.25%
8.	Dutch-Bangla Bank Limited	26,945,975,140.00	31 December	7.97%
9.	Eastern Bank Limited	15,019,832,986.00	31 December	4.45%
10.	IFIC Bank Limited	11,040,155,310.00	31 December	3.27%
11.	Jamuna Bank Limited	11,485,864,243.00	31 December	3.40%
12.	Meghna Bank Limited	2,108,434,839.00	31 December	0.62%
13.	Mercantile Bank Limited	13,388,456,611.00	31 December	3.96%
14.	Midland Bank Limited	2,310,880,874.00	31 December	0.68%
15.	Modhumoti Bank Ltd.	3,105,210,425.00	31 December	0.92%
16.	Mutual Trust Bank Limited	11,207,177,709.00	31 December	3.32%
17.	National Bank Limited	15,929,176,788.00	31 December	4.71%
18.	National Credit & Commerce Bank Limited	11,640,747,245.00	31 December	3.45%
19.	NRB Bank Limited	2,428,292,720.00	31 December	0.72%
20.	NRBC Bank Limited	4,891,747,626.00	31 December	1.45%
21.	NRB Global Bank Ltd	3,214,453,972.00	31 December	0.95%
22.	One Bank Limited	9,439,216,550.00	31 December	2.79%
23.	The Premier Bank Limited	13,170,574,987.00	31 December	3.90%
24.	Prime Bank Limited	14,386,215,910.00	31 December	4.26%
25.	Pubali Bank Limited	18,821,103,914.00	31 December	5.57%
26.	Shimanto Bank Ltd.	742,691,181.00	31 December	0.22%
27.	Southeast Bank Limited	14,390,720,882.00	31 December	4.26%
28.	Trust Bank Limited	11,302,398,976.00	31 December	3.34%
29.	United Commercial Bank Ltd.	21,214,809,981.00	31 December	6.28%
30.	Uttara Bank Limited	11,324,519,376.00	31 December	3.35%

*There is no data available regarding market shares of the respective listed company in their annual report.*

**(x) Sources and availability of raw materials and the names and address of the principal suppliers and contingency plan in the case of disruption:**

The Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits such as non-interest-bearing current deposits, interest bearing short-term deposits, savings deposits and fixed deposits and institutional balance. The deposits are collected from the Bangladeshi citizens through the branches network.

**Contingency Plan in case of any disruption:**

The Bank has a written contingency plan in place to manage extreme situation. The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis.

**(xi) Sources of and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption:**

**Head Office Location:**

Utilities	Requirement	Source
Power	800KVA	Commercial line from Dhaka Power Distribution Company Limited and 650 KVA Diesel Generator for head office and corporate office, 150 KVA Diesel Generator for ICT server room.
Gas	-	No need for operational purposes.
Water	-	Water Supply from Dhaka Water Supply & Sewerage Authority.

**Contingency Plan in case of any disruption:**

To manage the disruption of utilities, the Bank has installed generators as mentioned in above.

**(xii) Names, address(s), telephone number(s), web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with the amount and percentage thereof:**

South Bangla Agriculture & Commerce Bank Limited deals with Loans and Advances/investment to its client. Presently Bank has 10716 Number of loan accounts and no borrower contributes 10% or more to the total loans and advances of the Bank.

**(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw materials or finished goods with the amount and percentage thereof:**

South Bangla Agriculture & Commerce Bank Limited has 2,68,287 deposit accounts as on 30-09-2020 and no depositor contributes 10% or more to the total deposits of the Bank.

- (xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors:

**Contract with Principal suppliers or customers**

The Company does not have any principal suppliers to provide its service to the entendent customers, hence no contract with any parties for its source of fund other than Customer Banker Relationship.

**Declaration regarding Contract with Principal suppliers or customers**

We, on behalf of the Board of Directors, certify that **South Bangla Agriculture & Commerce Bank Limited** did not enter into any contract with its principal suppliers or customers i.e. with depositors and borrowers for source of fund other than Customer Banker Relationship as per Banking Companies Act, 1991.

Sd/-  
 Md. Masoodur Rahman FCA  
 Chief Financial Officer

Sd/-  
 Tariqul Islam Chowdhury  
 Managing Director & CEO

Sd/-  
 S. M. Amzad Hossain  
 Chairman

on behalf of Board of Directors

Place: Dhaka

Date: 24 December 2020

- (xv) Description of licenses, registration, NOC and permissions obtained by the Issuer with issue, renewal and expiry dates:

The Company has neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, South Bangla Agriculture & Commerce Bank has several regulatory licenses and certificates in order to continue its operations. The table shows list of licenses:

SL	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
1	Certificate of Incorporation	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107546/13	N/A
2	Commencement of Business	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107546/13	N/A
3	Trade License	Dhaka South City Corporation	TRAD/DSCC/274068/2019	2021
4	TIN Certificate	National Board of Revenue, Taxes Circle LTU (Tax), Large Taxpayers Unit (Tax), Dhaka	166085152182	N/A
5	VAT Certificate	National Board of Revenue, Motijheel Division	000060296-0202	N/A
6	Banking License	Bangladesh Bank	BRPD (P-3)/744(93)/2013-1378	N/A
7	Agent Banking License	Bangladesh Bank	BRPD(P-3)/745(68)/2014-4858	N/A
8	AD (Authorized Dealer) License	Bangladesh Bank	FEPD(LDA) Misc./141/2013-679; FEPD(LDA) Misc./141/2013-680	N/A
9	Islami Banking License	Bangladesh Bank	BRPD(P-3)/745(68)/2020-5530; Licence on Islami Bank window.	N/A
10	Offshor Banking	Bangladesh Bank	BRPD(OB)/744(127)/2020-5140	N/A

**(xvi) Description of any material patents, trademarks, licenses or royalty agreements:**

The Company does not have any material patents, licenses or royalty agreements. It has several regulatory license and certificate in order to continue its operation.

**(xvii) Number of total employees and number of full-time employees:**

As per information provided by the bank Employee position of the company as at 30-09-2020:

Salary Range (Monthly)	Head Office	Branch	Sub-Branch	Total Employees
Number of employees whose salary below Tk. 3,000 per month	Nil	Nil	Nil	Nil
Number of employees whose salary above Tk. 3,000 per month	189	672	25	886
<b>Total</b>	<b>189</b>	<b>672</b>	<b>25</b>	<b>886</b>

**(xviii) A brief Description of Business strategy:**

Keeping priority on the socio-economic trend, SBAC has set below its strategic policies:

**Focus on Business Diversification**

Business Diversification is the key factor for growth of a company. Prime focus of SBAC is on the Diversification of products and services by introducing IT based innovative products and engaging alternate delivery channels. Besides, conventional banking the Bank had also planned to open the Islamic banking window and already got approval from Bangladesh bank to open Islamic banking window in ten of its branches. SBAC is going to step forward to Shariah Banking which provides a large opportunity. To harvest the benefit of shariah Based banking, SBAC adopted comprehensive training policy to equip its team with the skills that set best in the market. The Bank also emphasizes on Continuation of diversification of credit portfolio in corporate exposure, focusing on retail, SME, direct green finance and agricultural loans, gender issues by providing loans to women entrepreneurs in SME segment and emphasize on geographical dispersion. Expansion of activities related to Corporate Social Responsibility and Green Banking within the framework of organizational goals.

**Zero classification**

The Bank focused on the asset quality of the Bank. The Board as well as the Management has set goals of zero classification. SBAC had formulated policies and accordingly revised organizational structure to keep the non-performing loan (NPL) below 1.00%. Administering regular and effective monitoring and conducting recovery drive to ensure that loans and advances do not turn to non-performing. Also a Robust Recovery Plan has been formulated for the recovery of overdue/classified loans. Banking sector in Bangladesh has been already struggling with a challenging environment due to COVID-19 Pandemic situation in line with the global perspective. The pandemic is worsening the impact of recent policy measures creating an ill-timed double blow from lending/deposit rate gap and legacy high NPLs. However, with the support from the Board of Directors, empowered Management and hardworking employees, SBAC has intensified efforts to cut bad loans. The Bank is Ensuring an efficient and effective risks management for sustainable business growth.

**Technology Based Products and Services**

Technology adoption is the prime necessity for transformation Technology Based Products and Services to its existing and potential clients. Enforcement of these might have notable cost implications. Updated technology has integrated role in retail banking service through high-quality networks for all service delivery channels.

**Quality Services with Client Focus**

Bank is mainly a service-oriented organization. To meet the need of customer with satisfactory service, SBAC adopted modern technology based Core Banking Solution. Clients are at the center of banking activities and their satisfaction is the ultimate objective. Success of the Bank is dependent on its ability to provide the best products and services to clients; The SBAC Bank committed to help its clients achieving their goals. Maintaining highest quality of customer services by offering best products compatible with customers' needs the Bank have already re-designed its products and services. Some lucrative liability products have also been launched in this perspective.

**Innovation**

Since inception, the Bank believes that innovation is a core competitive advantage and promotes it accordingly. SBAC strive to lead the financial service industry to a higher level of performance in serving the millions of people who are still under privileged or unbanked. Improvement of deposit mix by penetrating board-based customers, increase share of low cost and no cost deposit in total deposit, increase non-funded (non-interest fee based) business.

**Cost reduction**

The issue of reduction of discretionary cost has been being addressed on a priority basis. Cost minimization and efficiency optimization at all levels of operation by ensuring budgetary control.

**Compliance Culture**

Good governance is the backbone of any organization. Compliance is the pr-requisite to establish good governance. In South Bangla Agriculture & Commerce Bank Limited, management believes in compliance Culture. '**Compliance first; profit is it's logical consequence**' with the motto the Bank is moving forward to accomplish the organizational goals. Continuously improving internal governance through strengthening good corporate cultures, motivation, training and supervision at all levels of management. SBAC compliant with all organizational and regulatory requirements by adherence to all laws, rules, regulations relating to banking.

**Professional Development**

Professional Development through online-based education and training platforms to continue with the capacity development programs.

**Brand visibility**

Increasing brand visibility by creating positive image of the Bank to add value for all stakeholders.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rational to achieve the projected level:

South Bangla Agriculture & Commerce Bank Limited is working as service industry in the Bangladesh Economy and a proud member of 4<sup>th</sup> generation Bank in the Banking industry of Bangladesh. Capacity or earning efficiency of banking sector is depend on less costly deposit mobilization and investment in the promising sector which result is the highest yield. Therefore, core products of South Bangla Agriculture & Commerce Bank Ltd. are as follows:

- Several Deposit Products (usually collected from customers & other Banks & FIs);
- Several Loans & Advances & Investment Products;
- Several Foreign Exchange Related Products.

South Bangla Agriculture & Commerce Bank Ltd. generates its revenue through the following steps:

- Mobilization of Deposit or Collects Deposit from surplus group i.e. customers & market;
- Investment in profit earning segments of Loans & Advances while complying by the instructions provided by Bangladesh Bank;
- Generate several fee-based incomes based on products & services;
- Actively participating in bond & capital market;
- Rendering services to a diversified large customer base through trained & well-equipped work force.

The bank focuses on being 'Compliance first; profit is it's logical consequence' by achieving the following trend in upcoming years:

**Summary of Financial Budget-2020 (Taka in Crore) & Proposed Projection for the year 2021, 2022 & 2023**

(Amount in Crore)

SL	Particular	2017 (Actual)	2018 (Actual)	2019 (Actual)	2020 (Budgeted)	2021 (Projected)	2022 (Projected)	2023 (Projected)
1	Deposit (Conventional Banking)	5,012.15	5,930.43	7,154.02	7,000.00	8,000.00	9,200.00	10,500.00
2	Deposit (Islami Banking)	0.00	0.00	0.00	0.00	500.00	1,000.00	1,800.00
3	Deposit (Conventional & Islami Banking)	5,012.15	5,930.43	7,154.02	7,000.00	8,500.00	10,200.00	12,300.00
4	Loans & Advances (Conventional Banking)	4,328.50	5,025.49	5,600.07	6,000.00	7,000.00	8,000.00	8,800.00
5	Investment (Islami Banking)	0.00	0.00	0.00	0.00	450.00	900.00	1,600.00
6	Loans & Advances/ Investment (Conventional & Islami Banking)	4,328.50	5,025.49	5,600.07	6,000.00	7,450.00	8,900.00	10,400.00

**Assumptions for future capacity utilization:**

**Summary of Financial Budget-2020 (Taka in Crore) & Proposed Projection for the year 2021, 2022 & 2023.**

(Amount in Crore)

SL	Particular	2017 (Actual)	2018 (Actual)	2019 (Actual)	2020 (Budgeted)	2021 (Projected)	2022 (Projected)	2023 (Projected)
1	Operating Profit (Conventional Banking)	181.93	203.38	226.92	150.00	200.00	250.00	325.00
2	Operating Profit (Islami Banking)	0.00	0.00	0.00	0.00	15.00	25.00	45.00
3	Operating Profit (Conventional & Islami Banking)	181.93	203.38	226.92	150.00	215.00	275.00	370.00
4	Import	2,590.06	2,735.30	2,811.09	3,400.00	3,500.00	4,000.00	4,800.00
5	Export	1,171.02	1,639.97	1,706.04	1,900.00	2,000.00	2,500.00	3,200.00

**Rationale to achieve the desired proposed position:**

1. Diversifying the Deposit base & by attaining a Deposit Mix comprising of No Cost & Low-Cost Deposit - 30% & High Cost Deposit - 70.00% by 2020 and No Cost & Low-Cost Deposit will be 40% & High Cost Deposit will be 60.00% by 2023.
2. Generating loan base with composition of Retail & SME based majority portion.
3. Reducing Cost of Deposit to 6.00% in 2020 & reduced to 5.00% by 2023.
4. Reducing Cost of Administration to 2.8% in 2020 & reduced to 2.00% by 2023.
5. Increasing the spread portion.
6. Including the unbanked population in banking channel.
7. Proper & optimum utilization of work force

All process/steps are implementable and Management of the Bank is expected that the projected result is attainable.

**(e) Description of Property:**

**(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;**

The entire above-mentioned assets are located at registered office and branches/Sub branches.

Particulars	Location & Area	Condition of the Property
Motor Vehicles	Registered Office/Branches/Sub branches	Good condition
Machinery and Equipment		
Furniture and fixtures		
Interior Decoration		
Computer and Accesories		
Softwares		
Other Tools		

**(ii) Whether the property is owned by the company or taken on lease:**

The most of above-mentioned assets of the Bank are owned by purchased except motor vehicles under financial lease which are deployed at registered office, branches and sub branch offices.

**(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof:**

South Bangla Agriculture & Commerce Bank Ltd. does not own any land.

**(iv) The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof:**

South Bangla Agriculture & Commerce Bank Ltd. does not own any land.

**(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required:**

South Bangla Agriculture & Commerce Bank Ltd. does not own any land.

**(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee:**

South Bangla Agriculture & Commerce Bank Ltd. does not have any mortgage of any sorts of assets with any lenders.

**(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment:**

No property of SBAC Bank Ltd. is taken on lease except the right-of-use asset as per IFRS 16 alias rental agreement for its following Branches/Sub-Branches:

SI	Branch/Sub-Br Name	Agreement Date	Expiry Date	Agreement Period	Monthly Rent (BDT)	Total Area (sft)
1	Head Office	23/11/2017	31/12/2029	12 years	4316842.69	54519
2	Principal Br	18/11/2019	31/03/2025	6 Years	1,258,488.00	8172
3	Hemayetpur Br	30/10/2019	31/07/2025	6 Years	104196.40	2786
4	Agrabad Br	08/07/2020	30/06/2025	6 years	757,181.35	7970.33
5	Bhatiary Br	14/09/2020	13/09/2026	6 years	48,600.00	2430
6	Khulna Br	01/07/2013	30/06/2038	25 years	183,590.00	7553
7	Katakhali Br	01/07/2013	30/06/2023	10 years	91,218.00	4000

Sl	Branch/Sub-Br Name	Agreement Date	Expiry Date	Agreement Period	Monthly Rent (BDT)	Total Area (sft)
8	Keranigonj Br	30/09/2013	30/11/2013	10 years	108300	3000
9	Uttara Br	01/12/2019	30/11/2025	6 years	709,500.00	4300
10	Gulshan Br	24/12/2019	30/11/2023	4 years	613852.00	3743
11	Velanagar Br	30/09/2013	30/11/2023	10 years	94,528.00	3000
12	Imamgonj Br	04/10/2020	30/06/2023	3 years 7 months	190020.00	3300
13	Ashulia Br	20/08/2020	19/08/2026	6 years	66,000.00	2400
14	Dhanmondi Br	08/07/2020	07/07/2029	9 Years	4,37,500.00	3500
15	Sylhet Br	02/03/2014	30/04/2024	10 years	140435.00	3483
16	Jubilee Road Br	07/01/2021	31/05/2020	3 years	121800.00	3120
17	Bogra Br	09/01/2019	08/01/2031	12 years	135000.00	3000
18	Mawna Br	09/04/2014	08/04/2024	10 years	33447.06	2300
19	Islampur Br	12/11/2019	11/11/2031	12 years	58,120.00	2200
20	Modunaghat Br	03/05/2014	25/06/2020	6 years	41,600.00	2077.56
21	Shyamnagar Br	14/10/2020	30/06/2026	6 years	23,760.00	2000
22	Gazipur Br	05/04/2014	04/04/2024	10 years	112,319.92	4300
23	Moynamoti Br	13/04/2014	12/04/2024	10 years	48300.00	2300
24	Banglabazar Br	28/08/2014	27/08/2020	6 years	30,000.00	2000
25	Banani Br	08/04/2019	07/04/2024	5 years	954000.00	5300
26	Chuknagar Br	14/12/2020	18/08/2026	6 years	39,186.00	2000
27	Satkhira Br	18/08/2014	11/08/2020	6 years	94,645.00	5000
28	Barisal Br	25/11/2020	24/11/2032	12 years	2,10,870.00	3834
29	Sarbolokkhona Br	04/11/2020	01/09/2026	6 years	24,000.00	2000
30	Rajshahi Br	27/10/2014	27/10/2023	10 years	148,533.00	3858
31	Nawabpur Br	24/11/2014	23/11/2024	10 years	288923.23	3034
32	Mirpur Br	23/11/2014	22/11/2020	6 years	387,000.00	4300
33	Shibu Market Br	04/12/2014	03/12/2024	10 years	47,608.00	2080
34	Ghonapara Br	14/12/2014	13/12/2024	10 years	55000.00	2000
35	Digraj Br	11/12/2014	10/12/2024	10 years	29070.00	2080
36	Baburhat Br	01/06/2017	31/05/2023	6 years	84,000.00	2100
37	Narayanganj Br	19/03/2015	18/03/2021	6 years	297,841.15	5023
38	Bijoynagar Br (Ex Motijheel Br)	18/10/2020	14/10/2026	6 years	2,15,930.00	3322
39	Rangpur Br	06/04/2015	05/04/2021	6 years	219,300.00	4600
40	Jessore Br	25/03/2015	24/03/2021	6 years	78,848.00	4400
41	Takerhat Br	23/03/2015	22/03/2021	6 years	31,609.76	2100
42	Fatikchari Br	01/04/2015	31/05/2021	6 years	32,940.00	2104
43	Nasirabad Br	23/03/2015	31/05/2021	6 years	250250.00	3500
44	Bhomra Br	26/04/2015	25/04/2021	6 years	35,500.00	2080
45	Morrelganj Br	12/04/2015	11/04/2024	9 years	38,044.78	2100
46	Hasnabad Br	02/03/2016	01/03/2026	10 years	66,550.00	2100
47	Kharabad Baintola Br	24/02/2016	23/02/2026	10 years	16935.00	2100
48	Chalakchar Br	29/02/2016	28/02/2026	10 years	13,860.00	2100
49	Panthapath Br	16/03/2016	31/05/2022	6 years	315545.00	4065
50	Mouchak Br	24/03/2016	23/03/2026	10 years	27,720.00	2100
51	Maligram Br	06/03/2016	05/03/2022	6 years	33299.20	2100
52	EPZ Br	30/03/2016	28/02/2022	6 years	176850.58	3539
53	Dinajpur Br	30/03/2016	29/03/2026	10 years	75,191.69	4100
54	KDA Br	29/03/2016	28/03/2022	6 years	290,777.50	4975
55	Natore Br	02/03/2016	01/03/2026	10 years	56,084.00	4100
56	Feni Br	19/03/2017	18/03/2027	10 years	97200.00	3080
57	Kustia Br	27/03/2017	26/03/2027	10 years	41100.00	3680
58	Labonchora Br	06/04/2017	05/04/2027	10 years	45,000.00	3080
59	Pragati Sarani Br	04/04/2017	03/04/2023	6 years	374772.00	5216

SI	Branch/Sub-Br Name	Agreement Date	Expiry Date	Agreement Period	Monthly Rent (BDT)	Total Area (sft)
60	Adda Bazer Br	30/03/2017	29/03/2027	10 years	33,360.00	2780
61	Faltita Br	11/04/2017	10/04/2027	10 years	21,919.50	2500
62	Jibonnagor Br	29/10/2017	28/10/2022	5 years	13,634.48	1828
63	Banaripara Br	22/05/2017	21/05/2027	10 years	30,000.00	2500
64	Amin Bazar Br	18/05/2017	17/05/2023	6 years	77629.50	2654
65	Khatungonj Br	12/01/2020	15/04/2023	6 years	144865.50	3285
66	SBAC Corporate Br	23/11/2017	31/12/2029	12 years	480,000.00	6000
67	BHULTA Br	01/08/2018	31/07/2028	10 years	100,000.00	2500
68	Abullahpur Br	02/08/2018	01/08/2024	6 years	56,700.00	2100
69	Birgonj Br	14/10/2018	14/10/2030	12 years	18450.00	2050
70	Cumilla Br	01/08/2018	31/07/2028	10 years	188,430.00	3426
71	Mehendigonj Br	18/11/2018	17/11/2028	10 years	30658.00	2298
72	Mymensingh Br	16/08/2018	15/08/2027	9 years	66,960.00	2080
73	Nazipur Br	31/07/2018	30/07/2033	15 years	33,980.00	2955
74	Bhola Br	25/10/2018	24/10/2028	10 years	75,250.00	1750
75	Basundhara Mahila Br	12/12/2018	11/12/2030	12 years	280,000.00	4000
76	Babu bazar Br	04/07/2019	03/07/2031	12 years	300,720.00	4376
77	Ramgonj Br	02/07/2019	01/07/2029	10 years	80,250.00	3130
78	Kaligonj Br	23/09/2019	22/09/2031	12 years	30144.00	2592
79	Polashbari Br	22/09/2019	21/09/2025	6 years	21,640.00	2180
80	Mohakhali Br	14/10/2019	31/10/2025	6 years 15 days	300,000.00	2500
81	Bhandaria Br	29/10/2019	28/10/2031	12 years	34,300.00	2200
82	Lohagara Br	26/11/2019	25/11/2029	10 years	50,000.00	2500
83	Benapole Br	27/11/2019	26/11/2031	12 years	41600.00	2600
84	KhanJahan Ali Mazar Branch	02/03/2020	01/03/2020	06 years	18,667.00	1697
85	Jatrabari Sub-Br (Controlling Branch: Nawabpur Branch)	19/05/2019	18/05/2028	9 years	48600.00	1000
86	Gopalganj Sub-Br (Controlling Branch: Ghonapara Br)	27/07/2019	26/07/2034	15 years	21000.00	1000
87	Rayendabazar Sub-Br (Controlling Branch: Morrelganj Branch)	17/07/2019	16/07/2024	5 years	7540.00	704
88	Rupatoli Sub-Br (Controlling Branch: Barisal Br)	26/06/2019	25/06/2029	10 years	31620.00	854
89	Panchar Sub-Br (Controlling Branch: Maligram Br)	03/12/2019	02/12/2029	10 years	15638.00	964
90	Muladi Sub-Br (Controlling Branch: Barisal Br)	05/03/2020	04/03/2032	12 years	15000.00	1000
91	Lokhipur Sub-Br (Controlling Branch: Rajshahi Br)	23/03/2020	22/03/2030	10 years	32000.00	800
92	Yusuf Market Sub-Br (Controlling Branch: Ashulia Br)	08/06/2020	07/06/2026	6 years	18500.00	1000
93	Hatirpool Sub-Br (Controlling Branch: Panthapath Br)	16/07/2020	15/07/2029	9 years	90000.00	1000
94	Dupchachiya Sub-	30/07/2020	29/07/2030	10years	10,000	1000

SI	Branch/Sub-Br Name	Agreement Date	Expiry Date	Agreement Period	Monthly Rent (BDT)	Total Area (sft)
	Branch (controlling Br: Bogura Branch)					
95	Gopalpur Sub-Branch (controlling Br: Natore Branch)	12/07/2020	11/07/2026	6years	18,000	1000
	<b>Total</b>				<b>1,77,55,638.29</b>	

**Note:**

- (a) Uttara Branch: Board has approval have been taken. Draft of renewed rental agreement is being scrutinized by the landlord. Currently the Branch is operating at the premise upon mutual discussion and agreement with the landlord. Rent is being paid as per rate mentioned in the previous rental agreement.
- (b) Modunaghat Branch: Board has approved proposal for renewal. We are waiting for BRPD approval before signing the renewed rental agreement. Currently the Branch is operating at the premise upon mutual discussion and agreement with the landlord. Rent is being paid as per rate mentioned in the previous rental agreement.
- (c) Banglabazar Branch: Board has approved proposal for renewal. Draft of renewed rental agreement is being scrutinized by the landlord. Currently the Branch is operating at the premise upon mutual discussion and agreement with the landlord. Rent is being paid as per rate mentioned in the previous rental agreement.
- (d) Satkhira Branch: Negotiation with the landlord has been closed on 05/01/2021. Proposal for rent renewal will be placed before next Board. Currently the Branch is operating at the premise upon mutual discussion and agreement with the landlord. Rent is being paid as per rate mentioned in the previous rental agreement.
- (e) Mirpur Branch: Board has approved proposal for renewal. We are waiting for BRPD approval before signing the renewed rental agreement. Currently the Branch is operating at the premise upon mutual discussion and agreement with the landlord. Rent is being paid as per rate mentioned in the previous rental agreement.

Sd/-

**Tariqul Islam Chowdhury**  
 Managing Director & CEO  
 24 December 2020

No property of SBAC Bank Ltd. is taken on lease except the right-of-use asset as per IFRS 16 alias rental agreement for its following ATM Booths:

SI	Branch/Sub-Br Name	Agreement Date	Expiry Date	Agreement Period	Monthly Rent (BDT)	Total Area (sft)
1	Principal Br	Branch Attached				
2	Bhatiary Br	Branch Attached				
3	Khulna Br	Branch Attached				
4	Katakali Br	Branch Attached				
5	Uttara Br	01/07/2017	01/07/2022	5 years	24000.00	100
6	Gulshan Br	01/08/2015	01/08/2021	6 years	45000.00	48
7	Velanagar Br	Branch Attached				
8	Ashulia Br	Branch Attached				
9	Islampur Br	Branch Attached				
10	Gazipur Br	Branch Attached				
11	Moynamoti Br	01/06/2015	01/06/2021	6 years	5000.00	72
12	Satkhira Br	Branch Attached				
13	Sarbolokkhona Br	25/04/2016	25/04/2022	6 years	5000.00	140
14	Rajshahi Br	Branch Attached				
15	Mirpur Br	Branch Attached				
16	Bhomra Br	22/05/2016	22/05/2026	10 years	6000.00	100
17	Hasnabad Br	01/01/2019	01/01/2024	5 years	7000.00	75
18	Maligram Br	11/12/2018	11/12/2024	6 years	5000.00	150
19	Dinajpur Br	05/0/2016	05/0/2022	6 years	8000.00	70
20	KDA Br	Branch Attached				
21	Feni Br	15/04/2017	14/04/2027	10 years	10000.00	100
22	Labonchora Br	Branch Attached				
23	Pragati Sarani Br	01/01/2018	01/06/2023	5 years	25000.00	62
24	Khatungonj Br	Branch Attached				
25	Abullahpur Br	15/04/2019	15/04/2025	6 years	9000.00	80
26	Mehendigonj Br	18/11/2018	17/11/2028	10 years	4500.00	100
27	Mymensingh Br	Branch Attached				
28	Ramgonj Br	Branch Attached				
29	Bhandaria Br	Branch Attached				
30	Rupatoli Sub-Br (Controlling Branch: Barisal Br)	18/08/2019	18/08/2029	10 years	6000.00	82
31	Panchar Sub-Br (Controlling Branch: Maligram Br)	23/06/2020	23/06/2026	6 years	4000.00	74
32	Lokkipur Sub-Br (Controlling Branch: Rajshahi Br)	Branch Attached				
33	Yusuf Market Sub-Br (Controlling Branch: Ashulia Br)	Branch Attached				
34	Bhatiary Branch ATM	Branch Attached				
35	Gopalpur Sub Branch ATM	Branch Attached				
36	Khan Jahan Ali Mazar Branch ATM	Branch Attached				
37	SBAC Corporate Branch ATM	Branch Attached				
38	Ashulia Branch ATM	Branch Attached				
	<b>Total</b>				<b>163500.00</b>	

**(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;**

As South Bangla Agriculture & Commerce Bank Ltd. is a service-oriented company, it has no plant and machineries and hence this information is not applicable here.

**Description of Nature Business of South Bangla Agriculture & Commerce Bank Limited and its main activities**

The South Bangla Agriculture & Commerce Bank Limited (SBAC Bank), a Fourth-generation commercial bank, has operating since 20 February 2013. It has now 83 branches and 11 Sub Branches all over the country.

South Bangla Agriculture & Commerce Bank Ltd. is a scheduled commercial Bank in Bangladesh functioning as intermediary among the surplus and deficit group termed as borrowing and lending activities. Such business activities are important for enabling economic growth.

Main purposes of bank namely as keep money safe for customers having attractive interest with a view to protect the losing money value against inflation as well as flow of fund to the intended users' i.e lending funds to its customers in the form of loans and advances, cash credit, overdraft and discounting of bills, etc.

**Necessity of plant and machineries for Bank:**

A plant and Machinery ideally required for manufacturing products i.e. goods and services that mostly to its customers for consumption. A manufacturing is integrated process of Land & Building, machinery and office equipment for converting raw material into finish products. To be classified under this category, an asset should have a useful life of more than one year.

On the other hand, Banking Business means receiving deposits from surplus group for the purpose of making Loans and Advances or investments as well as investment in Treasury Bills & Bonds for the purpose of financing deficit budget of the Govt.

From the above scenario, we would like to conclude that South Bangla Agriculture & Commerce Bank Ltd. is doing business as intermediary of two groups wherein such plant and machinery have no role for revenue generation.

**(ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.:**

There are no machineries required to be bought by South Bangla Agriculture & Commerce Bank Limited.

**(x) In case the machineries are yet to delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned:**

There are no machineries which are yet to be delivered as Bank did not involve in any such business activities.

**(xi) If plant is purchased in brand new condition then it should be mentioned:**

South Bangla Agriculture & Commerce Bank Limited has no plant and hence this information is not applicable here.

**AUDITOR'S CERTIFICATE REGARDING PURCHASED IN BRAND NEW CONDITION OF MACHINERIES**

This is to certify that based on our checking of books and records maintained by South Bangla Agriculture and Commerce Bank Limited (the 'Bank') and produced to us, representation provided and explanations given by the Bank's management, plant and machineries purchased during the period by the Bank are appeared to be in brand new condition.

Dhaka, Bangladesh  
Dated: 11 January 2021

**Sd/-**  
**Hoda Vasi Chowdhury & Co.**  
Chartered Accountants

**(xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission:**

The South Bangla Agriculture & Commerce Bank Limited has purchased neither any second hand or reconditioned machineries nor any plan to purchase in future.

(xiii) A physical verification report by the issue manager regarding the properties as submitted to the commission:

**Physical Verification Report  
of  
South Bangla Agriculture And Commerce Bank Limited**

This is to certify that we have visited the Head Office along with Corporate Branch of South Bangla Agriculture & Commerce Bank Limited on 18 January 2021 and we have found the Registered Office and Head Office and Corporate branch as details below:

**Visited and Accompanied by:**

Particulars		
Visited by	<b>Mr. Md. Sydul Islam</b> Additional Chief Executive Officer	<b>ICB Capital Management Limited</b>
	<b>Mr. Md. Mosharrof Hossain</b> Deputy Chief Executive Officer	
	<b>Ms. Swapna Roy</b> Senior Executive Officer	
	<b>Mr. Md. Athekur Rahman</b> Principal Officer	
	<b>Md. Asadur Rahman</b> Senior Officer	
Accompanied by	<b>Mr. Md. Mokaddess Ali ACS</b> SVP	<b>South Bangla Agriculture &amp; Commerce Bank Limited</b>
	<b>Mr. Md. Masoodur Rahman, FCA</b> EVP	

**Company Overview:**

South Bangla Agriculture And Commerce Bank Limited (SBAC Bank) was incorporated in Bangladesh on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 to carry out Banking Business. It obtained license from Bangladesh Bank for carrying out its banking business on 25 March 2013 under Banking Company Act, 1991.

The Authorized and Paid-Up Capital of The Company is as Follows:

Particulars	Status
Authorized Capital	Tk. 10,000,000,000.00
Paid Up Capital	Tk. 6,846,455,170.00
IPO Size	Tk. 1,000,000,000.00
IPO Size (In Share)	100,000,000 shares (@ Tk. 10.00 each)

**Nature of Business:**

Nature of Business is banking as a Scheduled Private Commercial Bank licensed under Banking Companies Act, 1991 (amended up to 2018). The principal activities of the Bank are to provide a comprehensive range of financial services; personal and commercial banking, trade services, cash management, treasury operation, security and custody services.

**Products:**

Banking means the accepting deposits from the public for the purpose of lending or investment, repayable on demand or otherwise and withdrawal by cheque, draft and order or otherwise. Thus, the Banking product may be classified into two types as Liability Products (Deposit Products) and Asset Products (lending products). In this context, SBAC bank has different types of Liability and

Asset Products like Savings Account, Surokkha Sonchoyi Hisab, Short Term Notice Deposit, Term Notice Deposit etc.

**Registered Head Office:**

The Registered Head Office of the Bank is situated at BSC Tower, 2-3, Rajuk Avenue, Motijheel, Dhaka-1000. The Head Office occupies 5<sup>th</sup> floor to 13<sup>th</sup> floor of the Building. A signboard of the Bank is well displayed at the registered office Building.

**Office Space:**

The Bank is operating its Business in the rental premises with each floor having the following activities:

SI	Name of the Division	Allotted Floor
1	Training Institute	23 <sup>rd</sup>
2	(a) Chairman's Secretariat (b) Board Lounge & Board Dining Room	16 <sup>th</sup>
3	(a) Board Meeting Room & EC Meeting Room (b) Board Division	15 <sup>th</sup>
4	(a) MD/AMD/DMD's Secretariat	14 <sup>th</sup>
5	(a) Treasury Division; (b) Financial Administration Division & (c) Integrated Supervision System Department	13 <sup>th</sup>
6	(a) International Division; (b) Trade Processing Unit; (c) SWIFT (d) Remittance	12 <sup>th</sup>
7	(a) Credit Division; (b) SME, Agri-Credit & Women Entrepreneur Division (c) Retail Banking Division	11 <sup>th</sup>
8	(a) Banking Operation Division; (b) Credit Administration Division; (c) Risk management Division; (d) Credit Risk Management Division; (e) Marketing & Business Development Division; (f) Banking Operations Division	10 <sup>th</sup>
9	(a) Internal Control & Compliance Division; (b) Legal Affairs & Recovery Division; (c) Credit Information Bureau (d) Anti Money Laundering & Combating The Financing of Terrorism	9 <sup>th</sup>
10	(a) Human Resource Division; (b) Prayer Space	8 <sup>th</sup>
11	(a) General Service Division; (b) Public Relation Division; (c) Central Dispatch Unite	7 <sup>th</sup>
12	(a) Card Division; (b) Digital Financial Inclusion Division; (c) Call Center; (d) Bangla Pay; (e) Alternative Delivery Channel	6 <sup>th</sup>
13	(a) Information Communication & Technology Division (b) Central Clearing Division; (c) Data Center	5 <sup>th</sup>
14	SBAC Corporate Branch and Mujib Corner	2 <sup>nd</sup> and 3 <sup>rd</sup>

It may be mentionable that, during our visit, the Head office is in operation and Corporate Branch of SBAC Bank is operating its Banking activities smoothly.

Signed by

Sd/-

**(Md. Sydul Islam)**

Additional Chief Executive Officer  
ICB Capital Management Limited

(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with:

The Issuer does not have any material Patents, Trademarks or Royalty agreements and Copyrights. As per Note-9 of the Audited Accounts dated 30 September 2020, South Bangla Agriculture & Commerce Bank Ltd. Implemented different softwares for continuing Banking Business operation amounting BDT 183,188,176.00 which is recognized as intangible assets.

(xv) Full description of other properties of the issuer:

The written down value of Property, Plant & Equipment's owned by the issuer company as per audited accounts as on 30 September 2020 are stated below:

SL	Particulars	Written Down Value (BDT) as on 30.09.2020
1	Furniture and fixtures	42,620,342
2	Equipment and Machinery	69,373,971
3	Computer and accessories	56,581,585
4	Softwares	36,965,400
5	Motor Vehicles	7,738,110
6	Other Tools	12,948,771
7	Right of Use Assets (Lease Asset)	879,429,826
8	Interior Decoration	180,302,876

**(f) Plan of Operation and Discussion of Financial Condition:**

i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:

- a) Projected financial statements up to the year of commercial operation;
- b) Rationale behind the projection;
- c) Any expected significant changes in the issuer's policy or business strategies;
- d) Detail plan of capital investment with break-up;
- e) Summary of feasibility report, etc.

As South Bangla Agriculture & Commerce Bank Limited has been in commercial operation since 2013 the clause mentioned above is not applicable for SBAC Bank Ltd.

ii) The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last Five years:

<b>PROFIT AND LOSS ACCOUNT</b>						
<b>Particular</b>	<b>30-Sep-20</b>	<b>31-Dec-19</b>	<b>31-Dec-18</b>	<b>31-Dec-17</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
<b>Result from Operation</b>						
Interest Income/Profit from Loans and Advance/ Investment(A)	4,638,102,014	7,357,320,782	6,420,411,360	4,764,888,426	3,843,962,422	2,861,104,335
Interest Paid for Deposit and Borrowing (B)	3,719,935,563	4,847,319,359	3,869,220,483	2,802,476,484	2,307,330,523	2,049,815,201
<b>Net Interest Income (C=A-B)</b>	<b>918,166,451</b>	<b>2,510,001,423</b>	<b>2,551,190,877</b>	<b>1,962,411,942</b>	<b>1,536,631,899</b>	<b>811,289,134</b>
Add: Investment Income (D)	1,399,926,768	1,217,521,317	917,544,683	1,006,844,262	1,143,568,991	833,150,116
Add: Commission Exchange & Brokerage (E)	307,246,495	504,392,528	443,208,538	418,979,605	213,022,174	138,066,068
Add: Other Operating Income (F)	70,177,476	120,802,400	91,985,576	75,930,089	68,123,343	48,895,044
<b>Total Operating Income (G=C+D+E+F)</b>	<b>2,695,517,190</b>	<b>4,352,717,668</b>	<b>4,003,929,673</b>	<b>3,464,165,898</b>	<b>2,961,346,407</b>	<b>1,831,400,361</b>
Less: Operating Expenses (H)	1,632,754,190	2,083,542,462	1,970,090,830	1,644,867,430	1,441,463,588	1,025,455,276
<b>Profit Before Provision/Operating Profit (I=G-H)</b>	<b>1,062,763,000</b>	<b>2,269,175,206</b>	<b>2,033,838,843</b>	<b>1,819,298,469</b>	<b>1,519,882,819</b>	<b>805,945,086</b>
Less: Provision (J)	90,108,411	504,825,123	392,616,035	301,366,579	74,000,548	78,613,128
<b>Total Profit before Tax (K=I-J)</b>	<b>972,654,589</b>	<b>1,764,350,083</b>	<b>1,641,222,808</b>	<b>1,517,931,890</b>	<b>1,445,882,271</b>	<b>727,331,958</b>
Less: Income Tax Expense (L)	326,904,028	, 796,747,905	761,635,672	535,896,030	496,425,554	369,324,977
<b>Net Profit after Tax (M=K-L)</b>	<b>645,750,561</b>	<b>967,602,178</b>	<b>879,587,136</b>	<b>982,035,860</b>	<b>949,456,718</b>	<b>358,006,980</b>

CHANGES IN FINANCIAL POSITION						
Particular	30-Sep-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
<b>Property And Assets</b>						
Cash (a)	4,762,278,023	4,436,595,878	4,088,388,578	3,524,046,643	2,709,465,860	2,169,124,587
Balance with Other Banks and financial institution (c)	8,179,280,864	7,016,897,152	7,038,845,201	4,147,765,773	6,346,266,788	5,333,467,429
Money at call on short notice(d)	-	-	80,000,000	-	186,000,000	150,000,000
Investments (e)	10,517,989,188	15,034,609,417	7,032,555,300	6,390,878,377	4,681,491,529	4,670,233,015
Loans and Advances/investments (f)	57,917,445,106	56,000,737,479	50,254,940,444	43,284,965,225	30,174,092,816	23,128,287,837
Fixed Assets including premises, furniture And fixtures (g)	1,399,795,482	442,767,868	456,893,760	479,756,109	468,795,762	482,500,159
Other Assets (h)	2,721,408,053	1,632,397,650	1,709,684,983	1,113,371,751	1,033,871,858	754,322,370
<b>Total Assets (a+b+c+d+e+f+g+h)</b>	<b>85,498,196,716</b>	<b>84,564,005,444</b>	<b>70,661,308,266</b>	<b>58,940,783,878</b>	<b>45,599,984,613</b>	<b>36,687,935,396</b>
<b>Liabilities and Equity</b>						
<b>Liabilities (i)</b>						
Borrowings from other banks, financial institutions and Agents (i1)	2,880,334,741	1,117,039,452	801,154,383	398,414,216	282,066,258	231,830,583
Deposits And other Accounts (i2)	67,535,509,412	71,540,162,788	59,304,332,122	50,121,490,467	38,337,200,601	30,775,384,934
Other liabilities (i3)	6,056,387,068	3,543,841,415	3,126,109,849	1,881,887,053	1,364,386,983	800,507,950
<b>Total liabilities : (j=i1+i2+i3)</b>	<b>76,472,231,221</b>	<b>76,201,043,655</b>	<b>63,231,596,354</b>	<b>52,401,791,736</b>	<b>39,983,653,842</b>	<b>31,807,723,467</b>
Total Shareholders' Equity (k)	9,025,965,495	8,362,961,789	7,429,711,912	6,538,992,141	5,616,330,771	4,880,211,929
<b>Total Liabilities and Shareholders' Equity (l=j+k)</b>	<b>85,498,196,716</b>	<b>84,564,005,444</b>	<b>70,661,308,266</b>	<b>58,940,783,878</b>	<b>45,599,984,613</b>	<b>36,687,935,396</b>
<b>Statement of Cash Flow</b>						
Cash flows from operating Activities (A)	(4,091,101,542)	7,962,290,377	367,964,068	243,239,859	1,901,286,173	3,568,327,384
Cash flows from investing Activities (B)	3,696,779,411	(7,951,916,195)	(626,958,871)	(220,121,202)	(315,824,344)	10,325,354
Cash flows from financing Activities (c)	1,763,295,289	315,885,069	402,740,167	116,347,959	50,235,675	(407,014,849)
<b>Net increase / decrease in cash D=A+B+C)</b>	<b>1,368,973,158</b>	<b>326,259,251</b>	<b>3,455,421,363</b>	<b>139,466,615</b>	<b>1,635,697,503</b>	<b>3,171,637,888</b>
Cash and cash equivalents at the beginning of the year	11,453,493,030	11,127,233,779	7,671,812,416	13,923,224,178	12,287,526,674	9,115,888,786
Effects of exchange rate changes	119,092,699	-	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>12,941,558,887</b>	<b>11,453,493,030</b>	<b>11,127,233,779</b>	<b>14,062,690,793</b>	<b>13,923,224,178</b>	<b>12,287,526,674</b>

**(a) Internal and external sources of cash:**

<b>Profit and Loss Account</b>						
<b>Particular</b>	<b>30-Sep-20</b>	<b>31-Dec-19</b>	<b>31-Dec-18</b>	<b>31-Dec-17</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
<b>Internal Sources of Cash</b>						
Paid up capital	6,846,455,170	6,224,050,160	5,658,227,420	4,985,222,400	4,334,976,000	4,089,600,000
Statutory reserve	1,479,777,861	1,479,777,861	1,126,907,844	798,663,282	495,076,904	205,900,450
Other reserve	44,848,950	27,595,805	61,948,106	50,815,472	110,189,960	323,527,836
Retained earnings	654,883,514	631,537,963	582,628,542	704,290,988	676,087,907	261,183,643
<b>Sub-Total</b>	<b>9,025,965,495</b>	<b>8,362,961,789</b>	<b>7,429,711,912</b>	<b>6,538,992,142</b>	<b>5,616,330,771</b>	<b>4,880,211,929</b>
<b>External Sources of Cash</b>						
Borrowings from other banks, financial institutions and agents (B1)	2,880,334,741	1,117,039,452	801,154,383	398,414,216	282,066,258	231,830,583
Deposits And other Accounts (B2)	67,535,509,412	71,540,162,788	59,304,332,122	50,121,490,467	38,337,200,601	30,775,384,934
<b>Sub-Total</b>	<b>70,415,844,153</b>	<b>72,657,202,240</b>	<b>60,105,486,505</b>	<b>50,519,904,683</b>	<b>38,619,266,859</b>	<b>31,007,215,517</b>
<b>Grand Total</b>	<b>79,441,809,648</b>	<b>81,020,164,029</b>	<b>67,535,198,417</b>	<b>57,058,896,825</b>	<b>44,235,597,630</b>	<b>35,887,427,446</b>

**(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;**

As on date of this prospectus the company has not yet made any material commitment for capital other than for those mentioned in Section (XXII) under the head 'Use of Proceeds' of IPO fund.

(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

The company's revenue and other income as well as operating expenses and net income have continued to change due to increase in lending and deposits.

Particular	30-Sep-20	Change %	30-Sep-19	31-Dec-19	Change %	31-Dec-18	Change %	31-Dec-17	Change %	31-Dec-16	Change %	31-Dec-15
Interest Income/Profit from Loans and Advance/Investment	4,638,102,014	-12.90%	5,324,915,570	7,357,320,782	14.59%	6,420,411,360	34.74%	4,764,888,426	23.96%	3,843,962,422	35.35%	2,861,104,335
Other Operating Income	1,777,350,739	77.13%	1,003,413,080	1,842,716,245	26.84%	1,452,738,796	-4.03%	1,513,706,149	6.25%	1,424,714,508	39.66%	1,020,111,227
Total Operating Income	2,695,517,190	-4.89%	2,833,974,405	4,352,717,668	8.71%	4,003,929,673	15.18%	3,476,118,091	17.38%	2,961,346,407	61.70%	1,831,400,361
Profit Before Provision/Operating Profit	1,062,763,000	-16.53%	1,273,225,150	2,269,175,206	11.57%	2,033,838,843	11.79%	1,819,298,469	19.70%	1,519,882,819	88.58%	805,945,086
Total Profit before Tax	972,654,589	-15.21%	1,147,066,729	1,764,350,083	7.50%	1,641,222,808	8.12%	1,517,931,890	4.98%	1,445,882,271	98.79%	727,331,958
Net Profit after Tax	645,750,561	-3.56%	669,607,297	967,602,178	10.01%	879,587,136	-10.43%	982,035,859	3.43%	949,456,718	165.21%	358,006,980

Income of bank is generated from four (04) main sources, which are interest Income/profit from loans and advances/Investment, Investment Income, Commission and fee-based Income, and other operating income. Expenditure can be categorized into two (02) categories, which are interest paid on deposit and borrowings and operating expenses. The table shows some indicators to compare the performance of the bank over the 9 months and 5 Years period. The Board of Directors and Management are given all sorts of effort to increase operating profit so that remaining will become healthy which have subsequently follow Stable Dividend Policy for the shareholders.

## **Causes for changes:**

### **A. Total Operating Income:**

**Year-2016:** Total Operating Income increased over the preceding Year- because interest Income from Loans & Advances increased, at the same time Investment Income, Fees & Commission based income also increased.

**Year-2017:** Total Operating Income increased as interest Income from Loans and Advances increased along with proportionate increase in loans & Advances but the growth was relatively lower than that of preceding Year.

**Year-2018:** Increase in Interest Income from Loans and Advances leads to increase in Total Operating Profit. But Amount of revenue generating Asset, Income and Profit increased at a lower rate due liquidity crunch in the market.

**Year-2019:** Total Operating Income increased over previous Year. Interest Income from Loans and Advances increased as Loans & Advances also increased. Investment income and Fees & Commission based income increased that turns increase in Total Operating Profit.

**September-2020:** Investment Income and Fees & Commission based income increased the same period of the previous year but Total Operating Income decreased compared to the same period of the previous year as Interest Income from Loans and Advances decreased because of lower spread.

### **B. Total Operating Expenses:**

**Year-2016:** Operating Expenses increased as in the year- 2016 ten (10) more branches started their operation. New Branches requires additional employees to be hired and new location to be rented. Other operating expenditures like postage, stamp, telecommunication, stationary, printing & advertisement etc. increased over earlier year.

**Year-2017:** Operating Expenses increased as the year- 2017 new branches commenced their operation. Salary & Allowance, Office Rent and other operating expenses increased over previous year, but at lower rate. As a result, Cost to Income ratio decreased.

**Year-2018:** Operating Expenses increased compare to previous year as more new branches commenced their operation. Ultimately, Salary & Allowance, Office Rent, and other are operating expenses increased over previous year.

**Year-2019:** Operating expenses increased because of newly opened Branches, Sub-Branches, ATMs from that of 2018. However, Cost to Income Ratio reduced as total operating income increased.

**September-2020:** South Bangla Agriculture And Commerce Bank Limited opened new Branches, Sub-Branches and ATMs to expand its area of operation. More employees have been recruited to meet the requirement of Branches and Sub-Branches. New locations rented that increased operating expenses over earlier period and Covid-19 pandemic situation.

### **C. Net Income after Tax:**

**Year-2016:** Net Profit after Tax (NPAT) was increased over prior year. As the asset quality of the Bank was first-rated and Banks required least amount provision to be maintained and the Bank ended the year with higher Net Profit after Tax and Earnings per Share.

**Year-2017:** Net Profit after Tax (NPAT) was increased but lower rate over prior year because asset quality degraded slightly and the Bank required comparatively higher amount provision to be maintained but still bank ended the year with higher Net Profit after Tax and Net Asset Value per Share.

**Year-2018:** Net Profit after Tax (NPAT) was decreased over prior year as asset quality degraded more than previous year and cushion against loan losses also increased. So, the Bank required greater amount provision to be maintained and bank ended the year with lower Net Profit after Tax.

**Year-2019:** Although there is significant change in asset quality, the Bank ended the year with higher Net Profit after Tax and higher Net Asset Value per share & EPS as the Investment income and Fees & Commission based income increased.

**September-2020:** Net Profit after Tax (NPAT) was decreased over the same period of previous year because of degradation in Asset Quality and provision against bad loan also increased. Provision for loans & advances increased and Bank ended the period with lower Net Profit after Tax but higher Net Asset Value per share.

**(d) Any seasonal aspects of the issuer's business;**

There is no seasonal aspect in banking business of South Bangla Agriculture & Commerce Bank Limited.

**(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the Bank's future business except for those which are naturally beyond control of human being. The business operation of the Company may be affected by the following uncertainties:

- I. Political unrest;
- II. Natural disaster;
- III. Competitive business environment;
- iv. Pandemic situation (e.g Covid-19).

**(f) Any assets of the company used to pay off any liabilities;**

None of the assets of the company has been disposed to pay-off any liabilities of the company.

**(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;**

Disclosure regarding short term/long term loan transaction to any related party or connected person of South Bangla Agriculture & Commerce Bank Limited is provided under Annexure-(A) (iv) of the Audited Financial Statements of the period ended Sep 30, 2020.

**(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;**

The Company has no plan to enter into any contract creating future liabilities for the Company except for those that are created in the normal course of business activities.

**(i) The estimated amount, where applicable, of future capital expenditure;**

The Company has no plan for capital expenditure near future.

(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;

VAT: Following are the details status of vat liability of the Company as on 30 September 2020:

Following are the details of VAT related information of the Bank:

Accounting Year	Assessment Status
31-Dec-15	As per note no. 4/□□□□ 8(154) কর □□□□□/□□□□ □□□□□/2018/22 dated # 07.01.2019, the Bank has no VAT liability for the year.
31-Dec-16	As per note no. ৪/মূসক/৮(32) কর □□□□□/□□□□□/2019/1047(2) dated #
31-Dec-17	25.06.2019), the Bank has no VAT liability for the years.
31-Dec-18	Monthly return submitted
31-Dec-19	Monthly return submitted

**Custom Duty:** Not Applicable for this company.

**Income Tax:** The TIN number of the company is 166085152182/Circle- Large Taxpayer Unit (LTU), Dhaka (Companies), Taxes Zone-Large Taxpayer Unit (LTU), Dhaka. Following are the details of income tax related information of the Bank:

Accounting Year	Income Year	Assessment Year	Assessment Status
31-Dec-15	2015-2016	2016-2017	Assessment completed U/S 83(2) for the Assessment Year 2016-2017 as per assessment order dated # 31.10.2017 and there is no outstanding tax liability for the year.
31-Dec-16	2016-2017	2017-2018	Assessment completed U/S 83(2) for the Assessment Year 2017-2018 as per assessment order dated # 27.12.2018 and there is no outstanding tax liability for the year.
31-Dec-17	2017-2018	2018-2019	Assessment completed U/S 83(2) for the Assessment Year 2018-2019 as per assessment order dated # 30.04.2019 and there is no outstanding tax liability for the year.
31-Dec-18	2018-2019	2019-2020	Return submitted for the Assessment Year 2019-2020.
31-Dec-19	2019-2020	2020-2021	Return submitted for the Assessment Year 2020-2021.

k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected:

The Company has no financial lease obligation except the following:

Sl	Lessor	Amount of the Facility (BDT)	Effective Date of Lease	Expiration Date of Lease	Description of Leased Asset	Amount of Installment (BDT)	Outstanding Balance (BDT) September 30, 2020	Liquidation
01	Technomedia Ltd.	580,000.00	06.12.2015	06.12.2020	Gulshan Branch ATM	12,180.00	36,580.00	N/A
02	Technomedia Ltd.	580,000.00	12.01.2016	12.01.2021	Islampur Br. ATM	12,180.00	48,720.00	N/A
03	Technomedia Ltd.	580,000.00	05.06.2016	05.06.2021	Sarbolokkhona Br. ATM Unit-1	12,180.00	109,620.00	N/A
04	Technomedia Ltd.	580,000.00	05.06.2016	05.06.2021	Sarbolokkhona Br. ATM Unit- 2	12,180.00	109,620.00	N/A
05	Technomedia Ltd.	580,000.00	18.07.2016	18.07.2021	Bhomra Branch ATM	12,180.00	133,980.00	N/A
06	Technomedia Ltd.	580,000.00	30.07.2016	30.07.2021	Satkhira Br, Sultanpur ATM	12,180.00	133,980.00	N/A
07	Technomedia Ltd.	580,000.00	17.08.2016	17.08.2021	KDA Br. Khulna ATM	12,180.00	133,980.00	N/A
08	Technomedia Ltd.	580,000.00	09.08.2016	09.08.2021	Dinajpur Branch ATM	12,180.00	133,980.00	N/A
09	Technomedia Ltd.	580,000.00	15.05.2017	15.05.2022	Uttara Br ATM	12,180.00	243,600.00	N/A

**l) Details of all personnel related schemes for which the company has to make provision for in future years:**

**a. Short term benefits**

The Bank provides various short term benefits to its employees like incentive bonus, leave fare assistance etc.

**b. Provident fund**

The benefits of provident fund are given to the employees of the Bank in accordance with the Provident Fund Rules, as per section 2(52) of Income Tax Ordinance, 1984. National Board of Revenue recognized the Provident Fund on 12 May 2015. Separate bank account is maintained to manage the fund. All confirmed employees of the Bank contribute 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount to the Fund. Interest earned from the investments of fund is credited to the members' accounts on yearly basis. The financial statements of the fund for the year ended 30 June 2020 was audited by M/S Islam & Co., Chartered Accountants. As on 30 June 2020 the balance of members' account was Tk. 347,588,472.00.

**c. Gratuity**

As per the Employees Service Rules of the Bank, gratuity shall be admissible to all regular employees who have completed continuous service for a period of 7 (seven) years in the Bank but in case of experienced banker recruited through head hunting the admissible period is 5 (five) years. The amount of gratuity shall be calculated at the rate of 2 (two) months' last drawn basic pay for each completed years of service. The Bank is developing the fund to meet up its future obligation. National Board of Revenue recognized the gratuity fund on 10 April 2016. The financial statements of the fund for the year ended 30 June 2020 was audited by M/S Islam & Co., Chartered Accountants. As on 30 June 2020 the balance of gratuity fund was Tk 93,613,489

**d. Other benefits**

Other benefits include house building, consumer finance and car loan at a concessional rate.

**m) Break down of all expenses related to the public issue:**

The following amount to be paid to the Issue Managers, Underwriters and other costs are as follows:

**Breakdown of IPO Expenses (Estimated):**

SL	Particulars	Basis	Amount in Tk.
1	Manager to the issue fees	Issue Management Agreement	5,000,000
	VAT against Issue Management Fee	@ 15% on the Issue Management Fee	750,000
<b>Listing Related Expenses:</b>			
2	Application Fee for Stock Exchanges	Tk. 50,000.00 for each exchanges	100,000
	Listing Fee for DSE & CSE	0.25% on Tk. 100.00 million of paid-up capital and 0.15% on the rest amount of paid-up capital; minimum Tk. 50,000.00 and Maximum Tk. 10.00 million for each exchanges	20,000,000
	Annual Fee for Stock Exchanges	0.05% on BDT 100.00 million of paid-up capital and 0.02% on the rest amount of paid-up capital; minimum BDT 50,000.00 and Maximum BDT 6 lacs for each Exchange	1,200,000
	Data Transmission fee for stock exchanges	Maximum BDT. 200,000.00 for each exchanges	400,000
<b>BSEC Fees:</b>			
3	Application Fee	Tk. 50,000.00 (non-refundable)	50,000
	Consent Fee	0.40% on the public offering amount	4,000,000
<b>IPO Commission/Expenses:</b>			
4	Underwriting Commission	0.25% on the underwritten amount	875,000
	Credit Rating Fee	At actual	80,500
	Auditors' Certification and Auditor Fees for September 2020 Accounts	At actual	1,550,000
	VAT on IPO Commission/Expenses	@ 15% on IPO Commission/Expenses	375,825
<b>CDBL Fees and Expenses:</b>			
5	Security Deposit of Eligible Securities	Having paid-up capital above Tk. 50.00 crore	500,000
	Documentation Fee	At actual	2,500
	Annual Fee	Having paid-up capital above Tk. 100.00 crore	100,000
	Connection Fee	At actual	6,000
	IPO Fees	0.015% of IPO size+0.015% of Pre-IPO paid up capital	1,176,968
	VAT on CDBL Fees and Expenses excluding Security Deposit of Eligible Securities	@ 15% on VAT on CDBL Fees and Expenses excluding Security Deposit of Eligible Securities	192,820
<b>Printing, Publication and Others:</b>			
6	Publication of Prospectus	Estimated	1,200,000
	Abridged version of Prospectus and Notice in 4 daily newspapers	Estimated	1,250,000
	Notice for Prospectus, Refund etc. in 4 daily newspapers	Estimated	600,000
	Data Processing for EIS and General Public	Estimated	6,200,000
	Share Software Charge		
	Courier expenses	Estimated	223,914
	Stationeries and Other Expenses	Estimated	775,000
	VAT on Printing, Publication and Others	@ 15% on VAT on Printing, Publication and Others	1,537,337
<b>Total</b>			<b>48,145,864</b>

NB: The cost of the above-mentioned IPO expenses may vary and will be adjusted accordingly.

- n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission:

South Bangla Agriculture & Commerce Bank Limited has not made any revaluation of its asset.

- o) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor:

South Bangla Agriculture & Commerce Bank Limited has no subsidiary company except a foundation named South Bangla Agriculture and Commerce Bank Foundation and Offshore Banking Unit. However, the company recently formed a subsidiary company named SBAC Bank Investment Limited which incorporation date is 21 March 2021.

- p) Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

South Bangla Agriculture & Commerce Bank Limited has no group companies.

- (q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer:

#### To whom it may concern

The Company declares that, being a banking company, it has adhered to and complied with all requirements of the relevant laws and regulatory requirements of its primary regulator Bangladesh Bank.

Sd/-  
S. M. Amzad Hossain  
Chairman

Sd/-  
Talukder Abdul Khaleque  
Vice Chairman & Independent  
Director

Sd/-  
Begum Sufia Amjad  
Director

Sd/-  
Abu Zafar Mohammad Shofiuddin  
Director

Sd/-  
Abdul Kadir Molla  
Director

Sd/-  
Engr. Md. Moklesur Rahman  
Director



Sd/-  
Al-Haj Mizanur Rahman  
Director

Sd/-  
Captain M. Moazzam Hossain  
Director

Sd/-  
Hafizur Rahman Babu  
Director

Sd/-  
Tahmina Afroz  
Director

Sd/-  
Anwar Hussain  
Director

Sd/-  
Sk. Shyedujjaman, Director  
Nominated by: Moonstar  
Ceramic Industries Ltd.

Sd/-  
Mohammad Nawaz  
Director

Sd/-  
Mohammed Ayub  
Director

Sd/-  
Sakhawat Hussain, Director  
Nominated by: Haji Shakhawat  
Anwara Eye Hospital Ltd.

Sd/-  
Mst. Nasima Begum, Director  
Nominated by: Thermax Textile  
Mills Ltd.

Sd/-  
Dr. Syed Hafizur Rahman  
Independent Director

Sd/-  
Md. Sajidur Rahman  
Independent Director

Sd/-  
Md. Altaf Hossain  
Independent Director

Sd/-  
Tariqul Islam Chowdhury  
Managing Director & CEO

Date: 24 December 2020



(r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares:

**AUDITORS' CERTIFICATE REGARDING ALLOTMENT OF SHARES OF SOUTH BANGLA AGRICULTURE AND COMMERCE BANK LIMITED FOR ANY CONSIDERATION OTHERWISE THAN CASH**

This is to certify that South Bangla Agriculture and Commerce Bank Limited (the 'Bank') having corporate office at BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh has made the following allotment of shares as at 30 September 2020 for consideration other than cash:

							Amount in BDT
Particulars	Status	Quantity of Shares	Face Value	Issue Price	Value	Relationship with Issuer	Rationale of Issue Price of Shares
Ordinary share issued for the year 2015	Ordinary (Stock dividend)	24,537,600	10	10	245,376,000	Shareholder	Issuance of stock dividend
Ordinary share issued for the year 2016	Ordinary ( Stock dividend)	65,024,640	10	10	650,246,400	Shareholder	Issuance of stock dividend
Ordinary share issued for the year 2017	Ordinary ( Stock dividend)	67,300,502	10	10	673,005,020	Shareholder	Issuance of stock dividend
Ordinary share issued for the year 2018	Ordinary ( Stock dividend)	56,582,274	10	10	565,822,740	Shareholder	Issuance of stock dividend
Ordinary share issued for the year 2019	Ordinary ( Stock dividend)	62,240,501	10	10	622,405,010	Shareholder	Issuance of stock dividend
<b>Total</b>					<b>2,756,855,170</b>		

The Bank is yet to complete the formalities with RJSC regarding raising of paid up capital for the sixth allotment.

Place: Dhaka  
Dated: 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**(s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;**

As on date, there is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

**(t) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;**

**Business strategies and Future plans:**

#### **Focus on Business Diversification**

Business Diversification is the key factor for growth of a company. Prime focus of SBAC is on the Diversification of products and services by introducing IT based innovative products and engaging alternate delivery channels. Besides, conventional banking the Bank had also planned to open the Islamic banking window and already got approval from Bangladesh bank to open Islamic banking window in ten of its branches. SBAC is going to step forward to Shariah Banking which provides a large opportunity. To harvest the benefit of shariah Based banking, SBAC adopted comprehensive training policy to equip its team with the skills that set best in the market. The Bank also emphasizes on Continuation of diversification of credit portfolio in corporate exposure, focusing on retail, SME, direct green finance and agricultural loans, gender issues by providing loans to women entrepreneurs in SME segment and emphasize on geographical dispersion. Expansion of activities related to Corporate Social Responsibility and Green Banking within the framework of organizational goals.

#### **Zero classification**

The Bank focused on the asset quality of the Bank. The Board as well as the Management has set goals of zero classification. SBAC had formulated policies and accordingly revised organizational structure to keep the non-performing loan (NPL) below 1.00%. Administering regular and effective monitoring and conducting recovery drive to ensure that loans and advances do not turn to non-performing. Also a Robust Recovery Plan has been formulated for the recovery of overdue/classified loans. Banking sector in Bangladesh has been already struggling with a challenging environment due to COVID-19 Pandemic situation in line with the global perspective. The pandemic is worsening the impact of recent policy measures creating an ill-timed double blow from lending/deposit rate gap and legacy high NPLs. However, with the support from the Board of Directors, empowered Management and hardworking employees, SBAC has intensified efforts to cut bad loans. The Bank is ensuring an efficient and effective risks management for sustainable business growth.

#### **Technology Based Products and Services**

Technology adoption is the prime necessity for transformation Technology Based Products and Services to its existing and potential clients. Enforcement of these might have notable cost implications. Updated technology has integrated role in retail banking service through high-quality networks for all service delivery channels.

#### **Quality Services with Client Focus**

Bank is mainly a service-oriented organization. To meet the need of customer with satisfactory service, SBAC adopted modern technology based Core Banking Solution. Clients are at the center of banking activities and their satisfaction is the ultimate objective. Success of the Bank is dependent on its ability to provide the best products and services to clients; The SBAC Bank committed to help its clients achieving their goals. Maintaining highest quality of customer services by offering best products compatible with customers' needs the Bank have already re-designed its products and services. Some lucrative liability products have also been launched in this perspective.

**Innovation**

Since inception, the Bank believes that innovation is a core competitive advantage and promotes it accordingly. SBAC strive to lead the financial service industry to a higher level of performance in serving the millions of people who are still under privileged or unbanked. Improvement of deposit mix by penetrating broad-based customers, increase share of low cost and no cost deposit in total deposit, increase non-funded (non-interest fee based) business.

**Cost reduction**

The issue of reduction of discretionary cost has been being addressed on a priority basis. Cost minimization and efficiency optimization at all levels of operation by ensuring budgetary control.

**Compliance Culture**

Good governance is the backbone of any organization. Compliance is the pr-requisite to establish good governance. In South Bangla Agriculture & Commerce Bank Limited, management believes in compliance Culture. **'Compliance first; profit is it's logical consequence'** with the motto the Bank is moving forward to accomplish the organizational goals. Continuously improving internal governance through strengthening good corporate cultures, motivation, training and supervision at all levels of management. SBAC compliant with all organizational and regulatory requirements by adherence to all laws, rules, regulations relating to banking.

**Professional Development**

Professional Development through online-based education and training platforms to continue with the capacity development programs.

**Brand visibility**

Increasing brand visibility by creating positive image of the Bank to add value for all stakeholders.

The effect of cap on loan interest rate effective from April 01, 2020 brings down the cost of deposit. All the players in the market reduced their rate of interest for different deposit products. So, South Bangla Agriculture and Commerce Bank limited can offer customized products to attract the depositors.

Expansion of network in the form of Branches, Sub-branches and agent points are required. This network is strength for the bank that can be used to reach unbankable people throughout the country. South Bangla Agriculture and Commerce Bank Ltd. has introduced BanglaPay apps that are designed to offer customer to do all kinds of financial transaction such as fund transfer, utility bill payment, QR cash withdrawal service, mobile recharge, etc. It also comes up with a range of amazing cash back and discount offers along with many other privilege to give customer a delightful experience. Satisfied customer will make personal sellers for the bank that will give the bank an edge over its competitors. EGP may create a huge business chunk for Bank and few of its automation process will helpful to the customer. This digital platform creates another avenue for the bank.

Loanable fund will increase because Cash Reserve Requirement (CRR) further reduced to 4 percent on bi-weekly basis and 3.5 percent of daily basis with effect from April 15, 2020 and Advance Deposit ratio (ADR) increased to 87 percent from 85 percent.

Islamic Banking has experienced a phenomenal growth and expansion in Bangladesh. We are going to step forward to Shariah Banking, which provides a large opportunity, if we may create a trust that we are doing shariah practice properly within the Bank. To harvest the benefit of shariah Based banking, we have adopt comprehensive training policy to equip out team with the skill set best in the market. We have taken a comprehensive training program, which includes inter alia Leadership develop program, Capacity Building Program, Professional Development Program, Foundation Training Program, Skill Development on Shariah Banking etc. in order to build strong capacity to design shariah compliance products, service and fix pricing.

(u) Discussion on the results of operations shall inter-alia contains the following:

- (1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

The Auditors Report did not contain any adjustment or significant items of the past financial result. Summary of last 5 Years financial Performance are given below:

(Amount in BDT)

Sl.	Particulars	30-Sep-20 (9 Months)	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Interest Income	4,638,102,014	7,357,320,782	6,420,411,360	4,764,888,426	3,843,962,422	2,861,104,335
2	Interest Expense	3,719,935,563	4,847,319,359	3,869,220,483	2,802,476,484	2,307,330,523	2,049,815,201
3	<b>Net Interest Income</b>	<b>918,166,451</b>	<b>2,510,001,423</b>	<b>2,551,190,877</b>	<b>1,962,411,942</b>	<b>1,536,631,899</b>	<b>811,289,134</b>
4	Investment Income	1,399,926,768	1,217,521,317	917,544,683	1,006,844,262	1,143,568,991	833,150,116
5	Commission, exchange and brokerage	307,246,495	504,392,528	443,208,538	418,979,605	213,022,174	138,066,068
6	Other operating income	70,177,476	120,802,400	91,985,576	75,930,089	68,123,343	48,895,044
7	<b>Total Operating Income</b>	<b>2,695,517,190</b>	<b>4,352,717,668</b>	<b>4,003,929,673</b>	<b>3,464,165,898</b>	<b>2,961,346,407</b>	<b>1,831,400,361</b>
8	<b>Total Operating Expenses</b>	<b>1,632,754,190</b>	<b>2,083,542,462</b>	<b>1,970,090,830</b>	<b>1,644,867,430</b>	<b>1,441,463,588</b>	<b>1,025,455,276</b>
9	Operating Profit (Profit before Provision)	1,062,763,000	2,269,175,206	2,033,838,843	1,819,298,469	1,519,882,819	805,945,086
10	<b>Total provision</b>	<b>90,108,411</b>	<b>504,825,123</b>	<b>392,616,035</b>	<b>301,366,579</b>	<b>74,000,548</b>	<b>78,613,128</b>
11	<b>Total Profit before Tax</b>	<b>972,654,589</b>	<b>1,764,350,083</b>	<b>1,641,222,808</b>	<b>1,517,931,890</b>	<b>1,445,882,271</b>	<b>727,331,958</b>
12	<b>Provision for taxation</b>	<b>326,904,028</b>	<b>796,747,905</b>	<b>761,635,672</b>	<b>535,896,030</b>	<b>496,425,553</b>	<b>369,324,977</b>
13	Current Tax Expenses	329,416,784	788,989,167	766,698,818	569,142,096	499,312,267	368,221,041
14	Deferred Tax Expenses/(Income)	(2,512,756)	7,758,738	(5,063,146)	(33,246,066)	(2,886,714)	1,103,937
15	<b>Net Profit after Tax</b>	<b>645,750,561</b>	<b>967,602,178</b>	<b>879,587,136</b>	<b>982,035,860</b>	<b>949,456,718</b>	<b>358,006,980</b>
16	EPS	0.94	1.55	1.41	1.74	1.90	0.83

- (2) A summary of major items of income and expenditure:

(Amount in BDT)

Particulars	30 Sep 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
<b>Major items of income</b>						
Interest income	4,638,102,014	7,357,320,782	6,420,411,360	4,764,888,426	3,843,962,422	2,861,104,335
Investment Income	1,399,926,768	1,217,521,317	917,544,683	1,006,844,262	1,143,568,991	833,150,116
Commission, exchange and brokerage Income	307,246,495	504,392,528	443,208,538	418,979,605	213,022,174	138,066,068
Other operating income	70,177,476	120,802,400	91,985,576	75,930,089	68,123,343	48,895,044
<b>Major items of expenditure</b>						
Interest Expense	3,719,935,563	4,847,319,359	3,869,220,483	2,802,476,484	2,307,330,523	2,049,815,201
Total Operating expenses	1,632,754,190	2,083,542,462	1,970,090,830	1,644,867,430	1,441,463,588	1,025,455,276
Total Provision	90,108,411	504,825,123	392,616,035	301,366,579	74,000,548	78,613,128

**(3) The income and sales on account of major products or services:**

The income and sales on account of major products are as follows:

(Amount in BDT)

Particulars	30 Sep 2020 (9 Months)	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Loans & Advance (Interest income)	4,638,102,014	7,357,320,782	6,420,411,360	4,764,888,426	3,843,962,422	2,861,104,335
Treasury Bond & Share Market (Investment Income)	1,399,926,768	1,217,521,317	917,544,683	1,006,844,262	1,143,568,991	833,150,116
Commission, Exchange and Brokerage	307,246,495	504,392,528	443,208,538	418,979,605	213,022,174	138,066,068
Percentage of Total Income (%)	98.91%	98.69%	98.83%	98.79%	98.71%	98.74%

**(4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;**

The other income of the Bank does not constitute more than 10% of the total income.

**(5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**

The material part of the income of South Bangla Agriculture & Commerce Bank Ltd. is not dependent upon a single customer or a few major customers or any foreign customer.

**(6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed:**

The company has not followed any unorthodox procedure for recording its Sales and revenues.

(v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, are given below:

(Amount in Taka)

Sl.	Particulars	30-Sep-20 (9 Months)	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Interest Income	4,638,102,014	7,357,320,782	6,420,411,360	4,764,888,426	3,843,962,422	2,861,104,335
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7	<b>Total Operating Income</b>	<b>2,695,517,190</b>	<b>4,352,717,668</b>	<b>4,003,929,673</b>	<b>3,464,165,898</b>	<b>2,961,346,407</b>	<b>1,831,400,361</b>
8	<b>Total Operating Expenses</b>	<b>1,632,754,190</b>	<b>2,083,542,462</b>	<b>1,970,090,830</b>	<b>1,644,867,430</b>	<b>1,441,463,588</b>	<b>1,025,455,276</b>
9	Operating Profit (Profit before Provision)	1,062,763,000	2,269,175,206	2,033,838,843	1,819,298,469	1,519,882,819	805,945,086
10	<b>Total provision</b>	<b>90,108,411</b>	<b>504,825,123</b>	<b>392,616,035</b>	<b>301,366,579</b>	<b>74,000,548</b>	<b>78,613,128</b>
11	<b>Total Profit before Tax</b>	<b>972,654,589</b>	<b>1,764,350,083</b>	<b>1,641,222,808</b>	<b>1,517,931,890</b>	<b>1,445,882,271</b>	<b>727,331,958</b>
12	<b>Provision for taxation</b>	<b>326,904,028</b>	<b>796,747,905</b>	<b>761,635,672</b>	<b>535,896,030</b>	<b>496,425,553</b>	<b>369,324,977</b>
13	Current Tax Expenses	329,416,784	788,989,167	766,698,818	569,142,096	499,312,267	368,221,041
14	Deferred Tax Expenses/(Income)	(2,512,756)	7,758,738	(5,063,146)	(33,246,066)	(2,886,714)	1,103,937
15	<b>Net Profit after Tax</b>	<b>645,750,561</b>	<b>967,602,178</b>	<b>879,587,136</b>	<b>982,035,860</b>	<b>949,456,718</b>	<b>358,006,980</b>
16	EPS	0.94	1.55	1.41	1.74	1.90	0.83

## **Analysis of reasons for the changes in significant items of income and expenditure:**

### **Causes for changes:**

#### **A. Total Operating Income:**

Year-2016: Total Operating Income increased over the preceding Year- because interest Income from Loans & Advances increased, at the same time Investment Income, Fees & Commission based income also increased.

Year-2017: Total Operating Income increased as interest Income from Loans and Advances increased along with proportionate increase in loans & Advances but the growth was relatively lower than that of preceding year.

Year-2018: Increase in Interest Income from Loans and Advances leads to increase in Total Operating Profit. But Amount of revenue generating Asset, Income and Profit increased at a lower rate due liquidity crunch in the market.

Year-2019: Total Operating Income increased over previous Year. Interest Income from Loans and Advances increased as Loans & Advances also increased. Investment income and Fees & Commission based income increased that turns increase in Total Operating Profit.

September-2020: Investment Income and Fees & Commission based income increased the same period of the previous year but Total Operating Income decreased compared to the same period of the previous Year as Interest Income from Loans and Advances decreased because of lower spread.

#### **B. Interest Paid on Deposit and Borrowings:**

**Year-2016:** Interest paid on Deposit and Borrowings increased but net Interest Income increased remarkably. An increase in Net Interest Income leads to an increase in Operating Profit. Net Interest Income increased because bank successfully reduced Cost of Deposits and Borrowings and managed its spread at a good level.

**Year-2017:** Interest paid on Deposit and Borrowings increased and Net Interest Income increased. Net Interest income increased but proportionate increase in Net Interest Income was relatively lower than preceding year.

**Year-2018:** Interest paid on Deposit & Borrowings increased and Net Interest Income increased by than that of preceding year.

**Year-2019:** Interest paid on Deposit and Borrowings increased as Cost of Fund increased gradually and spread between lending and borrowing rate shrunk, eventually net interest income decreased.

**September-2020:** Interest paid on Deposit and Borrowings increased that results Net Interest Income decrease this year than that of same period of previous year. Net Interest income decreased due to the lending cap set by the central bank. Yield on loans and advances decreased sharply compared to the cost of fund because bank already mobilized deposit at a higher interest rate. Net interest income decreased considerably, but Operating Profit of the bank decreased because of a significant increase in Investment Income and Fees & Commission based income.

### **C. Total Operating Expenses:**

Year-2016: Operating Expenses increased as in the year- 2016 ten (10) more branches started their operation. New Branches requires addition employees to be hired and new location to be rented. Other operating expenditures like postage, stamp, telecommunication, stationary, printing & advertisement etc. increased over earlier Year.

Year-2017: Operating Expenses increased as the year- 2017 new branches commenced their operation. Salary & Allowance, Office Rent, and other operating expenses increased over previous year, but at lower rate. As a result, Cost to Income ratio decreased.

Year-2018: Operating Expenses increased compare to previous year as more new branches commenced their operation. Ultimately, Salary & Allowance, Office Rent and other are operating expenses increased over previous year.

Year-2019: Operating expenses increased because of newly opened Branches, Sub-Branches, ATMs from that of 2018. However, Cost to Income Ratio reduced as total operating income increased.

September-2020: South Bangla Agriculture And Commerce Bank Limited opened new Branches, Sub-Branches and ATMs to expand its area of operation. More employees have been recruited to meet the requirement of Branches and Sub-Branches. New locations rented that increased operating expenses over earlier period.

#### **1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.;**

There is no an unusual or infrequent event or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

#### **2) Significant economic changes that materially affect or are likely to affect income from continuing operations;**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

#### **3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Bank may be affected by the following uncertainties:

- I. Political unrest;
- II. Natural disaster;
- III. Competitive business environment; and
- iv. Pandemic situation (e.g Covid-19).

#### **4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

We are aware of the fact that future is always uncertain that affect business and plan as well. The source of meterial/ingredient is loanable fund i.e. deposit and borrowings which is volatile due to continuous

change in the market rate or monetary policy of the country. Hence, any change in cost will be reflected in the revenue of the Bank.

**5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

The Revenue (Interest/Gain and Other commission based income) of South Bangla Agriculture & Commerce Bank Limited has not been increased substantially. New product/service has not been launched and sales price (Interest Income) has not been increased.

**6) Total turnover of each major industry segment in which the issuer operated.**

The South Bangla Agriculture & Commerce Bank Ltd. is providing Banking service under licensed scheduled Bank in Bangladesh and following are the total turnover i.e. Interest Income and Noninterest/investment of the Banking industry from year 2016 to 2019.

Particulars	(Amount in Billion BDT)			
	2016	2017	2018	2019
Interest Income	639.50	706.10	861.80	992.60
Non-Interest/Investment Income	283.50	292.40	278.30	299.00

Source: Financial Stability Report, 2019

**7) Status of any publicly announced new products or business segment**

The Bank did not announce any new products or business segment.

**8) The extent to which the business is seasonal**

There is no seasonal aspect on the Business of the Bank. However, tight money market conditions, political instability, fiscal policy, etc. may affect the business operation of the Bank.

**(w) Defaults or rescheduling of borrowings with financial Institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;**

South Bangla Agriculture & Commerce Bank Ltd. is one of the Schedule Bank in Bangladesh works as intermediary by collecting deposit and extent loans & advances to its borrowers. In some cases, Bank borrows fund from inter Bank for overnight/short notice, which is settled accordingly. Furthermore, South Bangla Agriculture & Commerce Bank Ltd. also borrowed from Bangladesh Bank under refinance scheme which also paid accordingly on installment basis or at maturity. Hence, South Bangla Agriculture & Commerce Bank Ltd. has no history of default or rescheduled any types of borrowed fund with lenders.

**(x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**

There were no changes in the activities except the following of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors:

1. The Bank signed an agreement on Foreign Currency loan from ‘Long Term Financing Facility’ under their financing agreement with International Development Association (IDA) of World Bank (WB) on August 04, 2016;

2. SBAC made an agreement on 'Green Transformation Fund for Export oriented Textiles Products, Leather manufacturing industries and Jute products' on 09 February 2017;
3. The Bank also made an agreement with JICA on "Two Step Fund of Foreign Direct Investment Promotion Project (FDIPP) BD-P86" on 14 February 2018;
4. The Bank have introduced SBAC Digital Wallet "Banglapay" on 16 December 2018 to offer digital financial services through Mobile Phones, QR based point-of-sale and network of small-scale agents;
5. Islamic Banking window: SBAC Bank is also going to open Islamic Banking window. The bank has obtained "ISLAMIC BANKING" operation approval at the date of July 26, 2020 from Bangladesh Bank, which will come into effect soon.

However, aforesaid business avenue/activities of the Company had no any material effect on the profits or loss during the last five years and SBAC did not discontinue any of its lines of business, loss of agencies or markets and similar factors.

**(y) Injunction or restraining order, if any, with possible implications:**

The Bank did not receive any injunction or restraining from any competent authority or any regulatory bodies.

**(z) Technology, market, managerial competence and capacity built-up:**

**Technology**

The biggest revolution came in the banking industry is Digitization. Now-a-days Banking process is faster than before and more reliable. Maintenance and retrieval of documents and records have become much faster and easier. Computerized banking also improves the core banking system. Almost all banks have introduced Core Banking Solutions for their day-to-day operations. As such, banks are using the technology for Back end operations such as Analysis, Data storage and retrieval, Customer Relationship Management (CRM), advances processing, report generation and decision-making process.

Technology has also helped to develop organizations innovative financial services. The development of better payment systems is a key challenge for organizations.

South Bangla Agriculture & Commerce Bank Limited has started its journey through a full pledged centralized online banking system under the well-equipped structured ICT system.

Being a fourth-generation bank, South Bangla Agriculture & Commerce Bank Limited adopts the maximum technological advantages over the modern banking business arena which is still ongoing.

Considering all, overall ICT activities & performance along with achievements are described as below:

- Card Service;
- Internet Banking;
- Mobile Banking;
- SMS Banking;
- Bill Pay Service; and
- Call center.

New technologies are drastically changing the banking and capital markets industry in the front, middle and back office. Beyond helping to automate core processes, technology also has an obvious role to play in a bank's channel optimization efforts. It affects not only how customers interact with the bank but also how banks communicate important information internally and how they manage their customer relationship activities.

## Market

According to the website of Bangladesh Bank there are **60 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank, which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

1. State Owned Commercial Banks (SOCBs): There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
2. Specialized Banks (SDBs): 3 specialized banks are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.
3. Private Commercial Banks (PCBs): There are **42 private commercial banks** which are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:
  - 3.1 Conventional PCBs: **34 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
  - 3.2 Islami Shariah based PCBs: There are **8 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.
4. Foreign Commercial Banks (FCBs): 9 FCBs are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

The banking sector recorded a notable asset growth in CY19 backed by a significant rise in deposit growth. Moreover, deposit growth surpassed the loan growth. Private commercial banks (PCBs) held the major portion of earning assets of the industry, which might enhance banking sector stability through better management of their asset quality.

The deposit growth rate (excluding inter bank) of 12.4 percent for the first time in several years exceeded the growth rate of loans (11.9 percent) in CY19. As a result, the gap between outstanding deposit and loans widened to BDT 1,305 billion in CY19 from BDT 1,113 billion in CY18. This improved liquidity scenario also indicates that banking system had a reasonable liquid fund to satisfy the growing loan demand. However, even with higher deposit growth, the loan growth of only 11.9 percent suggests a cautious stance by banks.

The deposit growth, aided by accelerated inflow of remittance and various other policy initiatives, outpaced loan growth, which eased the liquidity scenario and provided the required stability to the banking sector's deposit base.

The asset quality of the banking sector improved during the latter part of CY19 primarily due to the restructuring of loans under a new policy aimed at reducing debt service burden of good borrowers. Despite the recent improvement, the proper monitoring of rescheduled loans amid the COVID-19 pandemic remains a critical challenge for the banking industry.

The banking sector also demonstrated a moderate increase in net profit after taxes during the review year. Both Capital to Risk-weighted Assets Ratio (CRAR) and Tier-1 capital ratio of the banking industry increased in CY19.

*Source: Bangladesh Bank, Financial Stability Report 2019.*

### **Managerial competence**

All the members of the management team of the Company are highly qualified, trained & skilled professionals, well experienced and extremely devoted.

The management team lead by Mr. Tariqul Islam Chowdhury, Managing Director and CEO, who appointed upon approval of Bangladesh Bank and acts for the best interest of the Bank and all its stakeholders and lead the Bank's management team.

The expert team of South Bangla Agriculture & Commerce Bank Limited, which consists of a good number of professionals from various disciplines, are seasoned & experienced enough to head and operate each of the branches with optimal service to fulfill the demand of target customers. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology, among others.

### **Capacity build-up**

South Bangla Agriculture & Commerce Bank Limited works as service provider in the Bangladesh Economy and a proud member of 4th generation Bank in the Banking industry of Bangladesh. Capacity or earning efficiency of banking sector is depend on less costly deposit mobilization and investment in the promising sector which result is the highest yield. Therefore, core products of South Bangla Agriculture & Commerce Bank Ltd. are as follows:

- Deposit products (usually collected from customers & other Banks & FIs);
- Loans, Advances & Investment products;
- Foreign Exchange related products;

South Bangla Agriculture & Commerce Bank Ltd. generates its revenue through the following steps:

- Mobilization of Deposit or Collects Deposit from surplus group i.e. customers & market;
- Investment in profit earning segments of Loans & Advances while complying by the instructions of Bangladesh Bank;
- Generate several fee-based incomes based on products & services;
- Active participation in bond & capital market;
- Rendering services to a diversified large customer base through trained & well- equipped work force.

### **(aa) Changes in accounting policies in the last three years;**

The Bank has not made any changes in accounting policies in the last three years.

(bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus or information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months:

**Statement regarding significant developments subsequent to the last financial year**

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the South Bangla Agriculture & Commerce (SBAC) Bank Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/- S. M. Amzad Hossain Chairman	Sd/- Talukder Abdul Khaleque Vice Chairman & Independent Director	Sd/- Begum Sufia Amjad Director
Sd/- Abu Zafar Mohammad Shofiuddin Director	Sd/- Abdul Kadir Molla Director	Sd/- Engr. Md. Moklesur Rahman Director
Sd/- Al-Haj Mizanur Rahman Director	Sd/- Captain M. Moazzam Hossain Director	Sd/- Hafizur Rahman Babu Director
Sd/- Tahmina Afroz Director	Sd/- Anwar Hussain Director	Sd/- Sk. Shyedujjaman, Director Nominated by: Moonstar Ceramic Industries Ltd.
Sd/- Mohammad Nawaz Director	Sd/- Mohammed Ayub Director	Sd/- Sakhawat Hussain, Director Nominated by: Haji Shakhawat Anwara Eye Hospital Ltd.
Sd/- Mst. Nasima Begum, Director Nominated by: Thermax Textile Mills Ltd.	Sd/- Dr. Syed Hafizur Rahman Independent Director	Sd/- Md. Sajidur Rahman Independent Director
Sd/- Md. Altaf Hossain Independent Director	Sd/- Tariqul Islam Chowdhury Managing Director & CEO	

Date: 24 December 2020

**(cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer:**

Management Accounts for the year ended 31 December 2020 incorporated in the prospectus (page no. 534).

**(dd) Factors that may affect the results of operations:**

Financial Market condition i.e. money and capital market, monetary policy of Bangladesh Bank, political unrest, Pandemic Disease outbreak etc. may affect the results of operations.

## SECTION (VII)

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION</b>
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## Management's discussion and analysis of financial condition and results of operation

### (a) Overview of business and strategies

#### Overview of business:

South Bangla Agriculture & Commerce Bank Limited incorporated in 20 February 2013 with initial paid up capital of BDT 408.96 Crore and Authorized Capital of BDT 1,000.00 Crore & commenced its commercial operation from 20 February 2013 with a vision to build green Bangladesh free from poverty and pollution through sustainable development by application of latest information technology. SBAC is trying to be a budding private commercial bank in terms of efficiency, capital adequacy, sound management, profitability with stable liquidity and financial inclusion. The paid up capital of the Bank was BDT 6,846.45 million against authorized capital of BDT 10,000.00 million at the end of September 2020. The Bank offers a full range of banking and investment services for retail and corporate customers as well as SME customers. Presently the Bank has 83 branches across the country with online facilities.

South Bangla Agriculture & Commerce Bank has got permission for Islami Banking Business window no. BRPD (P- 3)/745(68)/2020-5530 dated 26 July 2020. Primarily the bank got permission to open Islamic banking window in 10 (Ten) Branches and the Bank is intended to expand operation all over the country in spirit of Islami Shariah.

#### Focus on Business Diversification

Business Diversification is the key factor for growth of a company. Prime focus of SBAC is on the Diversification of products and services by introducing IT based innovative products and engaging alternate delivery channels. Besides, conventional banking the Bank had also planned to open the Islamic banking window and already got approval from Bangladesh bank to open Islamic banking window in ten of its branches. SBAC is going to step forward to Shariah Banking which provides a large opportunity. To harvest the benefit of shariah Based banking, SBAC adopted comprehensive training policy to equip its team with the skills that set best in the market. The Bank also emphasizes on continuation of diversification of credit portfolio in corporate exposure, focusing on retail, SME, direct green finance and agricultural loans, gender issues by providing loans to women entrepreneurs in SME segment and emphasize on geographical dispersion. Expansion of activities related to Corporate Social Responsibility and Green Banking within the framework of organizational goals.

#### Zero classification

The Bank focused on the asset quality of the Bank. The Board as well as the Management has set goals of zero classification. SBAC had formulated policies and accordingly revised organizational structure to keep the non-performing loan (NPL) below 1.00%. Administering regular and effective monitoring and conducting recovery drive to ensure that loans and advances do not turn to non-performing. Also a Robust Recovery Plan has been formulated for the recovery of overdue/classified loans. Banking sector in Bangladesh has been already struggling with a challenging environment due to COVID-19 Pandemic situation in line with the global perspective. The pandemic is worsening the impact of recent policy measures creating an ill-timed double blow from lending/deposit rate gap and legacy high NPLs. However, with the support from the Board of Directors, empowered Management and hard-working employees, SBAC has intensified efforts to cut bad loans. The Bank is ensuring an efficient and effective risks management for sustainable business growth.

**Technology Based Products and Services**

Technology adoption is the prime necessity for transformation Technology Based Products and Services to its existing and potential clients. Enforcement of these might have notable cost implications. Updated technology has integrated role in retail banking service through high-quality networks for all service delivery channels.

**Quality Services with Client Focus**

Bank is mainly a service-oriented organization. To meet the need of customer with satisfactory service, SBAC adopted modern technology based Core Banking Solution. Clients are at the center of banking activities and their satisfaction is the ultimate objective. Success of the Bank is dependent on its ability to provide the best products and services to clients; The SBAC Bank committed to help its clients achieving their goals. Maintaining highest quality of customer services by offering best products compatible with customers' needs the Bank have already re-designed its products and services. Some lucrative liability products have also been launched in this perspective.

**Innovation**

Since inception, the Bank believes that innovation is a core competitive advantage and promotes it accordingly. SBAC strive to lead the financial service industry to a higher level of performance in serving the millions of people who are still under privileged or unbanked. Improvement of deposit mix by penetrating broad-based customers, increase share of low cost and no cost deposit in total deposit, increase non-funded (non-interest fee based) business.

**Cost reduction**

The issue of reduction of discretionary cost has been being addressed on a priority basis. Cost minimization and efficiency optimization at all levels of operation by ensuring budgetary control.

**Compliance Culture**

Good governance is the backbone of any organization. Compliance is the pr-requisite to establish good governance. In South Bangla Agriculture & Commerce Bank Limited, management believes in compliance Culture. '**Compliance first; profit is it's logical consequence**' with the motto the Bank is moving forward to accomplish the organizational goals. Continuously improving internal governance through strengthening good corporate cultures, motivation, training and supervision at all levels of management. SBAC compliant with all organizational and regulatory requirements by adherence to all laws, rules, regulations relating to banking.

**Professional Development**

Professional Development through online-based education and training platforms to continue with the capacity development programs.

**Brand visibility**

Increasing brand visibility by creating positive image of the Bank to add value for all stakeholders.

**(b) SWOT ANALYSIS:****Strengths**

**Efficient Management:** The Bank has skilled, experienced and efficient management team to run the banking operations in a well-organized manner.

**Good Quality Services:** SBAC Bank has a skilled and well-mannered team to provide good quality service to its clients. The bank believes in total quality Management (TQM) within the Bank.

**Modern Technological Facilities:** The Company has latest tools and technologies to support in providing smooth banking services.

**Interactive Corporate Culture:** The management of the Bank always maintains corporate culture in its day to day operation.

**Excellent Compensation & Benefit Policy for Employees:** SBAC offers enchanting Compensation & Benefit Policy for Employees to attract talented and skilled workforce.

**Strong Capital Base:** SBAC maintains excess capital as per requirement of Bangladesh Bank that subsequently transform the bank with strong capital base.

**Weaknesses**

**Marketing Policy:** The Bank is experiencing lack of proper advertising and marketing policy.

**Agent Banking:** The Bank is further behind than its competitor in perspective of starting agent banking.

**Opportunities**

**Diversification:** The bank has opportunity to diversify its products focusing on clients demand.

**Green Banking:** The bank has opportunity to expand its activities related with Green Banking within the framework of organizational goals.

**Shariah Banking:** The bank had already got approval of opening Islamic Banking Window from Regulatory Authority that will provide the Bank a large opportunity.

**Threats**

**Competition:** There is uneven competition in Banking Industry, that's why there exists high rivalry among the competitors to get the market share.

**Regulatory policy:** Frequent change in regulatory policy affects the profit of the company. Regulatory interference in interest rate fixation in deposit and lending has negative impact on profit margin of banking industry.

**Pandemic Situation:** The world experienced unprecedented crisis due to COVID-19 pandemic. Such Pandemic environment like COVID-19 is a threat against the Business of the company.

(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

(Amount in Taka)

Sl.	Particulars	30-Sep-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Interest Income	4,638,102,014	7,357,320,782	6,420,411,360	4,764,888,426	3,843,962,422	2,861,104,335
2	Interest Paid	3,719,935,563	4,847,319,359	3,869,220,483	2,802,476,484	2,307,330,523	2,049,815,201
3	Net Interest Income	<b>918,166,451</b>	<b>2,510,001,423</b>	<b>2,551,190,877</b>	<b>1,962,411,942</b>	<b>1,536,631,899</b>	<b>811,289,134</b>
4	Investment Income	1,399,926,768	1,217,521,317	917,544,683	1,006,844,262	1,143,568,991	833,150,116
5	Commission, exchange and brokerage	307,246,495	504,392,528	443,208,538	418,979,605	213,022,174	138,066,068
6	Other operating income	70,177,476	120,802,400	91,985,576	75,930,089	68,123,343	48,895,044
7	Total Operating Income	<b>2,695,517,190</b>	<b>4,352,717,668</b>	<b>4,003,929,673</b>	<b>3,464,165,898</b>	<b>2,961,346,407</b>	<b>1,831,400,361</b>
8	Total Operating Expenses	<b>1,632,754,190</b>	<b>2,083,542,462</b>	<b>1,970,090,830</b>	<b>1,644,867,430</b>	<b>1,441,463,588</b>	<b>1,025,455,276</b>
9	Operating Profit (Profit before Provision)	1,062,763,000	2,269,175,206	2,033,838,843	1,819,298,469	1,519,882,819	805,945,086
10	Total Profit before Tax	<b>972,654,589</b>	<b>1,764,350,083</b>	<b>1,641,222,808</b>	<b>1,517,931,890</b>	<b>1,445,882,271</b>	<b>727,331,958</b>
11	Net Profit after Tax	<b>645,750,561</b>	<b>967,602,178</b>	<b>879,587,136</b>	<b>982,035,860</b>	<b>949,456,718</b>	<b>358,006,980</b>
12	EPS	0.94	1.55	1.41	1.74	1.90	0.83

## Reasons of Fluctuation

### A. Total Operating Income:

**Year-2016:** Total Operating Income increased over the preceding Year- because interest Income from Loans & Advances increased, at the same time Investment Income, Fees & Commission based income also increased.

**Year-2017:** Total Operating Income increased as interest Income from Loans and Advances increased along with proportionate increase in loans & Advances but the growth was relatively lower than that of preceding year.

**Year-2018:** Increase in Interest Income from Loans and Advances leads to increase in Total Operating Profit. But Amount of revenue generating Asset, Income and Profit increased at a lower rate due liquidity crunch in the market.

**Year-2019:** Total Operating Income increased over previous Year. Interest Income from Loans and Advances increased as Loans & Advances also increased. Investment income and Fees & Commission based income increased that turns increase in Total Operating Profit.

**September-2020:** Investment Income and Fees & Commission based income increased the same period of the previous year but Total Operating Income decreased compared to the same period of the previous Year as Interest Income from Loans and Advances decreased because of lower spread.

### B. Total Operating Expenses:

**Year-2016:** Operating Expenses increased as in the year- 2016 ten (10) more branches started their operation. New Branches requires addition employees to be hired, and new location to be rented. Other operating expenditure like postage, stamp, telecommunication, stationary, printing & advertisement etc. increased over earlier year.

**Year-2017:** Operating Expenses increased as the year- 2017 new branches commenced their operation. Salary & Allowance, Office Rent, and other operating expenses increased over previous year, but at lower rate. As a result Cost to Income ratio decreased.

**Year-2018:** Operating Expenses increased compare to previous year as more new branches commenced their operation. Ultimately Salary & Allowance, Office Rent, and other are operating expenses increased over previous year.

**Year-2019:** Operating expenses increased because of newly opened Branches, Sub-Branches, ATMs from that of 2018. However, Cost to Income Ratio reduced as total operating income increased.

**September-2020:** South Bangla Agriculture And Commerce Bank Limited opened new Branches, Sub-Branches and ATMs to expand its area of operation. More employees have been recruited to meet the requirement of Branches and Sub-Branches. New locations rented that increased operating expenses over earlier period.

### C. Net Profit after Tax:

**Year-2016:** Net Profit after Tax (NPAT) was increased over prior year. As the asset quality of the Bank was first-rated and Banks required least amount provision to be maintained and the Bank ended the year with higher Net Profit after Tax and Earnings per Share.

**Year-2017:** Net Profit after Tax (NPAT) was increased but lower rate over prior year because asset quality degraded slightly and the Bank required comparatively higher amount provision to be maintained but still bank ended the year with higher Net Profit after Tax and Net Asset Value per Share.

**Year-2018:** Net Profit after Tax (NPAT) was decreased over prior year as asset quality degraded more than previous year and cushion against loan losses also increased. So, the Bank required greater amount provision to be maintained and bank ended the year with lower Net Profit after Tax.

**Year-2019:** Although there is significant change in asset quality, the Bank ended the year with higher Net Profit after Tax and higher Net Asset Value per share & EPS as the Investment income and Fees & Commission based income increased.

**September-2020:** Net Profit after Tax (NPAT) was decreased over the same period of previous year because of degradation in Asset Quality and provision against bad loan also increased. Provision for loans & advances increased and Bank ended the period with lower Net Profit after Tax but higher Net Asset Value per share.

**Depreciation and Amortization:**

The depreciation and amortization on property plant on equipment has charges as per the capital expenditure and disposal in the above-mentioned years.

**Charges of Inventory:**

South Bangla Agriculture & Commerce Bank Ltd. is a scheduled commercial bank, which offers banking related services, hence does not have any inventory.

**(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business:**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those, which are naturally beyond control of human being.

The business operation of the company may be affected by the following uncertainties:

- i. Political unrest;
- ii. Natural disaster;
- iii. Competitive business environment; and
- iv. Pandemic Disease Breakout.

**(e) Trends or expected fluctuations in liquidity:**

There is no trends or expected fluctuations in liquidity.

(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

As a scheduled Bank in Bangladesh, South Bangla Agriculture & Commerce Bank Ltd. engaged in Off-balance sheet business exposure like as commitment for irrevocable letters of credit, Letters of guarantee and acceptances & endorsements those exposed to risk. As such Bank has to be kept 1% provision for these commitment business as per BRPD Circular of Bangladesh Bank in the Profit and Loss Account. South Bangla Agriculture & Commerce Bank Ltd. has kept such provision line with paragraph 86 of IAS 37. Below is the required provision for the period ended 30 September 2020;

Particulars	Commitment/Off Balance sheet Items (Tk.)	% of Required Provision	Required Prov. Sep 2020
Acceptances and endorsements	1,787,107,223	1%	17,871,072
Letters of guarantee	7,725,403,701	1%	77,254,037
Irrevocable letters of credit	4,900,421,022	1%	49,004,210
Bills accepted for collection	1,953,659,870	0%	-
<b>Total Required Provision</b>			<b>144,129,319</b>
<b>Previous Year Balance</b>			<b>133,655,792</b>
<b>Provision Made for the Year</b>			<b>10,473,527</b>

The aforesaid Off-balance sheet arrangements like to have in the above mentioned period as well as in the future financial condition due to nature of banking business.

## SECTION (VIII)

<b>DIRECTORS AND OFFICERS</b>
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## Directors and Officers

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated/represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him:

As per information provided by the Bank Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which, the nomination has been made and the name of the organization, which has nominated him:

SL	Name of Director, Father's Name, Age & Experience	Residential Address	Educational Qualification	Name of the Institutions and Duration for Nominated Director	Experience
1.	Name: Mr. S.M. Amzad Hossain Position: Chairman Father's Name: Late Ishaque Ali Age: 63 years	51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	COM. DIPLOMA	N/A	33 Years
2.	Name: Mr. Talukder Abdul Khaleque Position: Vice-Chairman (Independent Director) Father's Name: Late Ayub Ali Talukder Age: 68 years	33, Munsii Para, 3rd Lane, Khulna	Graduate	N/A	43 Years
3.	Name: Begum Sufia Amjad Position: Director Father's Name: Late Sk. Shamsuddin Biswas Age: 54 years	51, Lower Jessore Road Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	H.S.C	N/A	28 Years
4.	Name: Mr. Abu Zafar Mohammad Shofiuddin Position: Director Father's Name: Late M A Quader Age: 51 years	9/10, Iqbal Road Block-A Mohammadpur Dhaka-1207	M.Com	N/A	23 Years
5.	Name: Mr. Abdul Kadir Molla Position: Director Father's Name: Late Abdul Mazid Molla Age: 59 years	Poronto Bela, 150/4 Bilashdi, (DC Road) P.S- Narsingdi Sadar Dist- Narsingdi	MBA	N/A	23 Years

SL	Name of Director, Father's Name, Age & Experience	Residential Address	Educational Qualification	Name of the Institutions and Duration for Nominated Director	Experience
6.	Name: Engr. Md. Moklesur Rahman Position: Director Father's Name: Late Suja-ud-dowala Tarafder Age: 60 years	House # 78, Road # 2 Banani, Dhaka-1213	BSC Eng.(Civil)	N/A	19 Years
7.	Name: Al-Haj Mizanur Rahman Position: Director Father's Name: Al-Haj Sekender Mollik Age: 63 years	Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212	H.S.C	N/A	36 Years
8.	Name: Mrs. Tahmina Afroz Position: Director Father's Name: Late Md. Koyez Ahmed Age: 45 years	House # 17, Road # 8 Dhanmondi, Dhaka-1205	B.Sc	N/A	17 Years
9.	Name: Mr. Hafizur Rahman Babu Position: Director Father's Name: Late Haji Sheikh Hatem Ali Age: 58 years	Joytun Raita House # 20, Road # 123 Gulsahn 01, Dhaka-1212	S.S.C	N/A	31 Years
10.	Name: Mr. Anwar Hussain Position: Director Father's Name: Late Haji Abdul Gaffar Age: 38 years	8, SCC Road, Babu Bazar Kotowali, Dhaka	BBA	N/A	21 Years
11.	Name: Mr. Sakhawat Hussain Position: Director Father's Name: Late Abdul Malek Sikder Age: 77 years	24, Palash Nagar Mirpur- 11, Dhaka.	MA	Nominated by: Haji Shakhawat Anwara Eye Hospital Ltd.	53 Years
12.	Name: Captain M. Moazzam Hossain Position: Director Father's Name: Late Mohammad Sekander Ali Age: 59 years	House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206	MSc	N/A	27 Years
13.	Name: Mr. Sk. Shyedujjaman Position: Director Father's Name: Late SK. Abu bakkar Siddique Age: 46 years	House # 75, Road # 03 Sonadanga R/ A, KDA New Market, Sonadanga, Khulna	MBA	Nominated by: Moonstar Ceramic Industries Ltd.	20 Years

SL	Name of Director, Father's Name, Age & Experience	Residential Address	Educational Qualification	Name of the Institutions and Duration for Nominated Director	Experience
14.	Name: Mr. Mohammad Nawaz Position: Director Father's Name: Late Mohammad Farooq Age: 45 years	2, Rankin Street Wari, Dhaka	MSc	N/A	19 Years
15.	Name: Mr. Mohammed Ayub Position: Director Father's Name: Late Al-Haj Md. Ismail Age: 58 years	Darus Salam, 34/A Panchlaish R/A, Chawkbazar, Panchlaish, Chittagong	B.Com	N/A	20 Years
16.	Name: Dr. Syed Hafizur Rahman Position: Independent Director Father's Name: Late Lt. (Retd.) Syed Rizwan Ahmed Age: 60 years	Flat # D-1, 38, Elephant Road, Dhaka	MA (Doctor of Philosophy in Economics)	N/A	28 Years
17.	Name: Mr. Md. Sajidur Rahman Position: Independent Director Father's Name: Mr. Md. Siddiqur Rahman Age: 51 years	CEG-3, Road # 104, Gulshan-2, Dhaka-1212	Masters	N/A	26 Years
18.	Name: Mst. Nasima Begum Position: Director Father's Name: Late Ansar Ali Molla Age: 51 years	Paronta Bela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi	HSC	Nominated by : Thermax Textile Mills Ltd.	23 Years
19.	Name: Mr. Md. Altaf Hossain* Position: Independent Director Father's Name: Md. Musharaf Hossain Age: 60 years	Vill: Darshana, P.S: Damurhuda, Chuadanga	Masters	N/A	32 Years
20.	Name: Mr. Mosleh Uddin Ahmed** Position: Managing Director Father's Name: Late Amirul Islam Chowdhury	House No: 08, Road# 04 Sector# 07, Uttara Model Town, Dhaka.	MBA	N/A	30 Years

\* Mr. Md. Altaf Hossain was appointed as an Independent Director in the 110<sup>th</sup> meeting of the Board of Directors. But Bangladesh Securities and Exchange Commission rejected the proposal of appointment of Mr. Md. Altaf Hossain as Independent director on 12 May 2021. Subsequently the Board of SBAC appointed Professor Mohammad Moqbul Hossain Bhuiyan as Independent Director in the 121<sup>st</sup> meeting of the Board of Directors held on 25<sup>th</sup> May 2021 and applied BSEC for approval on 27<sup>th</sup> May 2021. \*\* Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 & his notice period was ended 30 April 2021 and Mr. Mosleh Uddin Ahmed was appointed as Managing Director & CEO on 01 May 2021.

(b) The date on which he first became a director and the date on which his current term of office shall expire:

SL	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1.	Mr. S. M. Amzad Hossain	Chairman	20-02-2013	10th AGM
2.	Mr. Talukder Abdul Khaleque	Vice Chairman (Independent Director)	20-02-2013	02-08-2023
3.	Begum Sufia Amjad	Director	20-02-2013	10th AGM
4.	Mr. Abu Zafar Mohammod Shofiuddin	Director	20-02-2013	10th AGM
5.	Mr. Abdul Kadir Molla	Director	20-02-2013	10th AGM
6.	Engr. Md. Moklesur Rahman	Director	20-02-2013	10th AGM
7.	Al-Haj Mizanur Rahman	Director	20-02-2013	8th AGM
8.	Mr. Hafizur Rahman Babu	Director	20-02-2013	8th AGM
9.	Mrs. Tahmina Afroz	Director	20-02-2013	9th AGM
10.	Mr. Anwar Hussain	Director	20-02-2013	8th AGM
11.	Captain M. Moazzam Hossain	Director	20-02-2013	8th AGM
12.	Mr. Sakhawat Hussain Nominated by: Haji Shakhawat Anwara Eye Hospital Ltd.	Director	20-02-2013	8th AGM
13.	Mr. Sk. Shyedujjaman Nominated by: Moonstar Ceramic Industries Ltd.	Director	03-12-2015	9th AGM
14.	Mr. Mohammad Nawaz	Director	03-12-2015	9th AGM
15.	Mr. Mohammed Ayub	Director	03-12-2015	9th AGM
16.	Dr. Syed Hafizur Rahman	Independent Director	27-06-2016	25-08-2022
17.	Mr. Md. Sajidur Rahman	Independent Director	10-02-2019	05-05-2022
18.	Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	Director	27-06-2016	9th AGM
19.	Md. Altaf Hossain*	Independent Director	30-11-2020	12-05-2021
20.	Mr. Mosleh Uddin Ahmed**	Managing Director	01-05-2021	30-04-2024

\* Mr. Md. Altaf Hossain was appointed as an Independent Director in the 110<sup>th</sup> meeting of the Board of Directors. But Bangladesh Securities and Exchange Commission rejected the proposal of appointment of Mr. Md. Altaf Hossain as Independent director on 12 May 2021. Subsequently the Board of SBAC appointed Professor Mohammad Moqbul Hossain Bhuiyan as Independent Director in the 121<sup>st</sup> meeting of the Board of Directors held on 25<sup>th</sup> May 2021 and applied BSEC for approval on 27<sup>th</sup> May 2021.

\*\*\* Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 & his notice period was ended 30 April 2021 and Mr. Mosleh Uddin Ahmed was appointed as Managing Director & CEO on 01 May 2021.

(c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations:

Directors' interest in other Business as per information provided by the Management of the Bank are following:

SL. No.	Name of Directors	Designation in SBAC	Directorship/Sponsorship/Ownership with other Company		
			Name of Company	Type of Business	Position
1.	Mr. S. M. Amzad Hossain	Chairman	Lockpur Fish Processing Co. Ltd.	Fish Processing	Managing Director
			Khulna Printing & Packaging Ltd.	Printing & Packaging	Chairman
			Bagerhat Seafood Ind. Ltd.	Fish Processing	Managing Director
			Shampa Ice & Cold Storage Ltd.	Fish Processing	Managing Director
			Western Inn International Ltd.	International Hotel	Managing Director
			Metro Bricks Ltd.	Bricks Manufacturing	Managing Director
			Moon Star Jute Mills Ltd.	Jute Mill	Managing Director
			Khulna Builders Ltd.	Construction	Managing Director
			Bangladesh Poly Printing Int'l Ltd.	Printing & Packaging	Managing Director
			Rupsha Fish & Allied Industries Ltd.	Fish Processing	Managing Director
			Ideal Polymer Export Ltd.	Printing & Packaging	Managing Director
			Eastern Polymer Ltd.	Printing & Packaging	Managing Director
			Moon Star Fish Ltd.	Fish Processing	Managing Director
Ocean Trade International	Buying Agency	Managing Director			
2.	Mr. Talukder Abdul Khaleque**	Vice-chairman (Independent Director)	M/S Nahar Trading	Trading	Proprietor
3.	Mrs. Begum Sufia Amjad	Director	Lockpur Fish Processing Co. Ltd.	Fish Processing	Director
			Khulna Printing & Packaging Ltd.	Printing & Packaging	Managing Director
			Bagerhat Seafood Ind. Ltd.	Fish Processing	Director
			Shampa Ice & Cold Storage Ltd.	Fish Processing	Director
			Western Inn International Ltd.	International Hotel	Director
			Metro Bricks Ltd.	Bricks Manufacturing	Director
			Moon Star Jute Mills Ltd.	Jute Mill	Director
			Khulna Builders Ltd.	Construction	Director
Rupsha Fish & Allied Industries Ltd.	Fish Processing	Director			
Moon Star Fish Ltd.	Fish Processing	Director			

SL. No.	Name of Directors	Designation in SBAC	Directorship/Sponsorship/Ownership with other Company		
			Name of Company	Type of Business	Position
4.	Mr. Abu Zafar Mohammad Shofiuddin	Director	SQ Wire & Cable Co. Ltd	Manufacturing	Chairman
			SQ Trading & Engineering	Trading	Partner
			SQ Light Ltd.	Manufacturing	Chairman
			SQ Wood Preservatives	Manufacturing	Managing Partner
			SQ Energy Ltd.	Manufacturing	Managing Partner
			SQ Power Solutions	Manufacturing	Managing Partner
			SQ Properties Ltd.	Construction	Chairman
			SRN Power	Trading	Managing Partner
			Stemz Health Care (BD) Ltd.	Health Service	Chairman
			Power-Add	Trading	Managing Partner
			Techno Electricals Ltd.	Manufacturing	Chairman
			TSCO Power Ltd.	Manufacturing	Managing Director
			TS Transformers Ltd	Manufacturing	Managing Director
			Building Dreams Ltd.	Construction	Managing Director
			BMIT Solutions Ltd.	IT Service	Chairman
SQ Electricals Ltd.	Manufacturing	Managing Director			
SQ Distribution Ltd.	Trading	Chairman			
5.	Mr. Abdul Kadir Molla	Director	Thermax Textile Mills Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Chairman & Managing Director
			Thermax Knit Yarn Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Chairman & Managing Director
			Thermax Spinning Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Chairman & Managing Director
			Thermax Blended Yarn Ltd.	100% Export Oriented PC, CVC Yarn Manufacturer & Exporter	Chairman & Managing Director
			Indigo Spinning Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Chairman & Managing Director
			Thermax Melanage Spinning Mills Ltd.	100% Export Oriented Melanage Yarn Manufacturer & Exporter	Chairman & Managing Director
			Thermax Yarn Dyeing Ltd.	100% Export Oriented Yarn Dyeing Industry	Chairman & Managing Director
			Adury Knit Composite Ltd.	100% Export Oriented Knitting & Dyeing Industry	Chairman & Managing Director
			Adury Apparels Ltd.	100% Export Oriented Readymade Garments	Chairman & Managing Director
Thermax Woven Dyeing Ltd.	100% Export Oriented Woven Fabrics Dyeing & Finishing	Chairman & Managing Director			

SL. No.	Name of Directors	Designation in SBAC	Directorship/Sponsorship/Ownership with other Company		
			Name of Company	Type of Business	Position
			Thermax Yarn Dyed Fabrics Ltd.	100% Export Oriented Color Fabrics Manufacturer and Exporter	Chairman & Managing Director
			Sister Denim Composite Ltd.	100% Export Oriented Denim Fabrics Manufacturer and Exporter	Chairman & Managing Director
			Thermax Check Fabrics Ltd.	100% Export Oriented Check Fabrics Manufacturer and Exporter	Chairman & Managing Director
			Thermax Colour Cotton Ltd.	100% Export Oriented Color Yarn Manufacturer and Exporter	Chairman & Managing Director
			Sister Garments Ltd.	Garments	Chairman & Managing Director
			Sultana Filling Point Ltd.	Petrol Pump	Chairman & Managing Director
			Adury Fashion & Print Ltd.	100% Export Oriented Readymade Garments & Printing Industry	Chairman & Managing Director
			Adury Ring Denim Spun Ltd.	100% Export Oriented Yarn Manufacturer and Exporter	Chairman & Managing Director
			Kadir Molla Medical College & Hospital Ltd.	Health Care	Chairman & Managing Director
			Sister Denim Composite (Unit-2) Ltd.	100% Export Oriented Denim Fabrics Manufacturer and Exporter	Chairman & Managing Director
			Sultana Enterprise	Trading	Proprietor
6.	Engr. Md. Moklesur Rahman	Director	Contech Construction Ltd.	Electric Pole & Pile Construction, Supplier and Development	Managing Director
			Pre Stressed Pole Ltd.	Electric Pole & Pile Construction	Managing Director
			B&T Cables Ltd.	Manufacturer & Supplier of Electric Cables	Managing Director
			B&T Cold Storage Ltd.	Cold Storage	Managing Director
			B&T Development Ltd.	Building/Apartment Development & Construction	Managing Director
			B&T Meter Ltd.	Manufacturer & Supplier of Electric Meter	Managing Director
			Tushar Ceramic Ltd.	Manufacturer of all kinds of tiles & ceramic goods	Chairman
			B&T Transformers Ltd.	Manufacturer & Supplier of Transformer	Chairman
Nexus Securities Ltd.	Brokerage House	Chairman			

SL. No.	Name of Directors	Designation in SBAC	Directorship/Sponsorship/Ownership with other Company		
			Name of Company	Type of Business	Position
7.	Al-Haj Mizanur Rahman	Director	M R Trading Co.	1st Class Govt. Contractor	Chairman & Managing Director
			Moon Bangladesh Ltd.	Real Estate	Chairman & Managing Director
8.	Mrs. Tahmina Afroz	Director	Anwer Khan Modern Hospital Ltd.	Healthcare	Director
			Haji Shakhawat Anwara Eye Hospital Ltd.	Eyecare	Director
			Modern Diagnostic Centre Ltd.	Health Checkup	Director
			Modern Holdings Ltd.	Holding	Director
9.	Mr. Hafizur Rahman Babu	Director	Joytun Securities International Ltd.	Share Trading	Managing Director
			Joytun Developers Ltd.	Developer & Construction	Managing Director
			S.B. Agro Fertilizer Industries Ltd.	Fertilizer Import	Managing Director
			Sheikh Cement Mills Ltd.	Manufacturing	Managing Director
			Gold Hill Properties Ltd.	Importer	Managing Director
			Sheikh Jute Mills Ltd.	Manufacturing	Managing Director
			M/S. Sheikh Brothers	Importer	Owner
			M/S. Hafizur Rahman Babu	Importer	Owner
			Sheikh Shipping Lines Ltd.	Transport	Chairman
			Sheikh Agro Food Industries	Importer	Owner
10.	Mr. Anwar Hussain	Director	Arising Trade International Ltd.	Importer	Managing Director
			SAFAH CNG Refuelling Station Ltd.	Refuelling Gas Station	Director
			HAR Industries Ltd.	Plastic Manufacturer	Managing Director
			Abdul Gaffar & Co. (Pvt.) Ltd.	Petrochemical Trading	Managing Director
			Asuka CNG Filling Station Ltd.	Refuelling Gas Station	Director
			AGI Corporation	Solvent & Chemical Trading	Proprietor
11.	Capt. M. Moazzam Hossain	Director	AGI Flex Ltd.	Flexible Packaging Industry	Managing Director
			E-Securities Ltd.	Stock Brokerage	Chairman
			Agrovita Ltd.	Agriculture & Agro Processing	Chairman
			Admiral Trading Corp.	Export/Import & Suppliers	Proprietor
			Ekushey Homes Ltd.	Real Estate Developers & Holdings	Chairman
			Masters Ocean Voyage	Ship Owners & Ship Managers	Proprietor
			Radiant Dredging Ltd.	River, Bay, Estuaries Dredging Services	Chairman
			Canadian Trillinium School	Educational Institute (Upto Grade 12)	Chairman
Fareast International University	Education upto Post-Graduation	Trustee			

SL. No.	Name of Directors	Designation in SBAC	Directorship/Sponsorship/Ownership with other Company		
			Name of Company	Type of Business	Position
12.	Mr. Sk. Shyed-uj-Jaman, Nominated by Moonstar Ceramic Industries Ltd.	Director	Mashiyat Fish Farm	Farming	Proprietor
			South East Union Ceramic Industries Ltd.	Manufacturing	Director
			AB Siddique & Co.	Trading	Proprietor
13.	Mr. Mohammad Nawaz	Director	Famous Printing & Packaging Ltd.	Printing & Packaging	Chairman
			Famous Iberchem Flavours & Fragnances Ltd.	Flavour Manufacturer & Marketing	Managing Director
			Famous General Agencies Ltd.	Importer, Exporter & Suppliers	Director
			Macton limited	General Merchant & Supplier	Managing Director
			F.S. Printing & Packaging Ltd.	Printing & Packaging	Director
			Green Soap & Chemical Co. Ltd.	Soap Manufacturer	Director
			Famous Flavours & Fragnances Ltd.	Importer & Suppliers	Director
			Eden Multicare Hospital	Hospital	Director
14.	Mr. Mohammed Ayub	Director	Ayub & Co. Ltd.	Real Estate	Managing Director
			Pioneer Enterprise	Packaging	Proprietor
			United Enterprise	Packaging	Proprietor
			Pacific Enterprise	Packaging	Managing Partner
15.	Ms. Mst. Nasima Begum, Nominated by Thermax Textile Mills Ltd.	Director	Thermax Textile Mills Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Director
			Thermax Knit Yarn Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Director
			Thermax Spinning Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Director
			Thermax Blended Yarn Ltd.	100% Export Oriented PC, CVC Yarn Manufacturer & Exporter	Director
			Indigo Spinning Ltd.	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Director
			Thermax Melanage Spinning Mills Ltd.	100% Export Oriented Melanage Yarn Manufacturer & Exporter	Director
			Thermax Yarn Dyeing Ltd.	100% Export Oriented Yarn Dyeing Industry	Director
			Adury Knit Composite Ltd.	100% Export Oriented Knitting & Dyeing Industry	Director
			Adury Apparels Ltd.	100% Export Oriented Readymade Garments	Director

SL. No.	Name of Directors	Designation in SBAC	Directorship/Sponsorship/Ownership with other Company		
			Name of Company	Type of Business	Position
			Thermax Woven Dyeing Ltd.	100% Export Oriented Woven Fabrics Dyeing & Finishing	Director
			Thermax Yarn Dyed Fabrics Ltd.	100% Export Oriented Color Fabrics Manufacturer and Exporter	Director
			Sister Denim Composite Ltd.	100% Export Oriented Denim Fabrics Manufacturer and Exporter	Director
			Thermax Check Fabrics Ltd.	100% Export Oriented Check Fabrics Manufacturer and Exporter	Director
			Thermax Colour Cotton Ltd.	100% Export Oriented Color Yarn Manufacturer and Exporter	Director
			Sultana Filling Point Ltd.	Petrol Pump	Director
			Adury Fashion & Print Ltd.	100% Export Oriented Readymade Garments & Printing Industry	Director
			Adury Ring Denim Spun Ltd.	100% Export Oriented Yarn Manufacturer and Exporter	Director
			Kadir Molla Medical College & Hospital Ltd.	Health Care	Director
			Sister Garments Ltd.	Garments	Director
16.	Mr. Sakhawat Hussain, Nominated by Hazi Shakhawat Anwara Eye Hospital Ltd.	Director	N/A	N/A	N/A
17.	Dr. Syed Hafizur Rahman	Independent Director	Bagerhat Poultry @ Fisheries	Agriculture	Proprietorship
			Coal Mark	Trading	Proprietorship
			Aliums Trade Associate	Trading	Proprietorship
18.	Mr. Md. Sajidur Rahman	Independent Director	Indo-Bangla Trading	Trading/Outsourcing Services	Chairman
			US-DK Green Energy (BD) Ltd.	Renewable Energy	Director
			Nitex Ltd.	Software	Advisor
			Lenden Ltd.	White label ATMs/Payments	Director
			JoBike	Bike sharing	Chairman



SL. No.	Name of Directors	Designation in SBAC	Directorship/Sponsorship/Ownership with other Company		
			Name of Company	Type of Business	Position
19.	Mr. Md. Altaf Hossain*	Independent Director	NIL	N/A	N/A
20	Mr. Mosleh Uddin Ahmed**	Managing Director & CEO	NIL	N/A	N/A

\*Mr. Md. Altaf Hossain was appointed as an Independent Director in the 110<sup>th</sup> meeting of the Board of Directors. But Bangladesh Securities and Exchange Commission rejected the proposal of appointment of Mr. Md. Altaf Hossain as Independent director on 12 May 2021. Subsequently the Board of SBAC appointed Professor Mohammad Moqbul Hossain Bhuiyan as Independent Director in the 121<sup>st</sup> meeting of the Board of Directors held on 25<sup>th</sup> May 2021 and applied BSEC for approval on 27<sup>th</sup> May 2021.

\*\* Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 & his notice period was ended 30 April 2021 and Mr. Mosleh Uddin Ahmed was appointed as Managing Director & CEO on 01 May 2021.

(d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer:

None of the Directors are involved in securities market and not involved with other listed securities during last three years except followings:

Name of Director	Director of other listed securities			
	Company	Year	Cash	Closing Price January 14, 2021
Mr. S. M. Amzad Hossain	Khulna Printing & Packaging Ltd.	2018	-	17.60
		2019	1%	
		2020	.25%	

(e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:

**i. Family relationship among directors**

Name of Director	Name of Relative Director	Relationship with Director
Mr. S. M. Amzad Hossain	Begum Sufia Amjad	Husband of Begum Sufia Amjad
Begum Sufia Amjad	Mr. S. M. Amzad Hossain	Wife of Mr. S. M. Amzad Hossain
Mr. S. M. Amzad Hossain	Mr. Sk. Shyedujjaman Nominated by: Moonstar ceramic industries Ltd.	Uncle of Mr. Sk. Shyedujjaman
Mr. Sk. Shyedujjaman Nominated by: Moonstar ceramic industries Ltd.	Mr. S. M. Amzad Hossain	Nephew of Mr. S. M. Amzad Hossain
Mr. Abdul Kadir Molla	Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	Husband of Mst. Nasima Begum
Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	Mr. Abdul Kadir Molla	Wife of Mr. Abdul Kadir Molla

**ii. Family relationship among directors and top five officers of the company:**

There is no family relationship exists among the directors and top five officers of SBAC Bank Ltd.

(f) A very brief description of other businesses of the directors as per information provided by the Management of the Bank are following:

Mr. S. M. Amzad Hossain, Chairman					
Sl. No.	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
1.	Lockpur Fish Processing Co. Limited	26.10.1987	Fish Processing	Private Limited	(224,215,195.00)
	Khulna Printing & Packaging Limited	29.09.1999	Printing and Packaging	Public Limited	900,608,557.00
	Bagerhat Seafood Ind. Limited	16.08.1992	Fish Processing	Private Limited	634,892,951.00
	Shampa Ice & Cold Storage Limited	13.02.1985	Fish processing	Private Limited	280,161,991.00
	Western Inn International Limited	24.07.2000	International Hotel	Private Limited	369,525.00
	Metro Bricks Limited	24.06.2009	Bricks Mfg	Private Limited	767,328,049.00
	Moon Star Jute Mills Limited	23.09.2010	Jute Mill	Private Limited	564,801,820.00
	Khulna Builders Limited	08.08.2010	Construction	Private Limited	190,191,847.00
	Bangladesh Poly Printing Int'l Limited	24.07.2011	Printing and Packaging	Private Limited	200,000,000.00
	Rupsha Fish & Allied Industries Limited	30.10.1978	Fish Processing	Public Limited	864,431,893.00
	Ideal Polymer Export Limited	06.02.2012	Printing and Packaging	Private Limited	250,000,000.00
	Eastern Polymer Limited	26.01.2014	Printing and Packaging	Private Limited	386,092,154.00
	Moon Star Fish Limited	17.09.2009	Fish Processing	Private Limited	65,693,217.00
	Ocean Trade International	-	Buying Agency	Proprietorship	
Mr. Talukder Abdul Khaleque, Vice Chairman & Independent Director					
Sl. No.	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
2.	M/S Nahar Trading	15.01.1984	Trading	Proprietorship	25,00,000.00

<b>Begum Sufia Amjad, Director</b>					
<b>Sl. No.</b>	<b>Name of companies</b>	<b>Date of Incorporation</b>	<b>Nature of Business</b>	<b>Legal Status</b>	<b>Equity capital (total) in Taka</b>
3.	Lockpur Fish Processing Co. Limited	26.10.1987	Fish Processing	Private Limited	(224,215,195.00)
	Khulna Printing & Packaging Limited	29.09.1999	Printing and Packaging	Public Limited	900,608,557.00
	Bagerhat Seafood Ind. Limited	16.08.1992	Fish Processing	Private Limited	634,892,951.00
	Shampa Ice & Cold Storage Limited	13.02.1985	Fish Processing	Private Limited	280,161,991.00
	Western Inn International Limited	24.07.2000	International Hotel	Private Limited	369,525.00
	Metro Bricks Limited	24.06.2009	Bricks Mfg	Private Limited	767,328,049.00
	Moon Star Jute Mills Limited	23.09.2010	Jute Mill	Private Limited	564,801,820.00
	Khulna Builders Limited	08.08.2010	Construction	Private Limited	190,191,847.00
	Rupsha Fish & Allied Industries Limited	30.10.1987	Fish Processing	Public Limited	864,431,893.00
	Moon Star Fish Limited	17.09.2009	Fish Processing	Private Limited	65,693,217.00
<b>Mr. Abu Zafar Mohammad Shofiuddin, Director</b>					
<b>Sl. No.</b>	<b>Name of companies</b>	<b>Date of Incorporation</b>	<b>Nature of Business</b>	<b>Legal Status</b>	<b>Equity capital (total) in Taka</b>
4.	SQ Wire & Cable Co. Limited	14.11.2002	Manufacturing	Private Limited	76,66,39,960.00
	SQ Trading & Engineering	22.09.2008	Trading	Partnership	22,85,34,812.00
	SQ Light Limited	22.02.2010	Manufacturing	Private Limited	1,42,52,437.00
	SQ Wood Preservatives	11.09.2011	Manufacturing	Partnership	34,33,75,398.00
	Techno Electricals Limited	01.01.1997	Manufacturing	Private Limited	1,16,41,04,109.00
	TSCO Power Limited	24.09.2002	Manufacturing	Private Limited	93,65,76,100.00
	TS Transformers Limited	01.08.2004	Manufacturing	Private Limited	3,75,01,30,947.00
	SQ Power Solutions	17.11.2015	Manufacturing	Partnership	64,78,943.00
	SQ Energy Limited	14.03.2017	Manufacturing	Private Limited	10,39,84,732.00
	SRN Power	11.06.2015	Trading	Partnership	1,55,66,443.00
	Power-Add	28.10.2014	Trading	Partnership	73,41,809.00
	SQ properties Limited	22.12.2009	Construction	Private Limited	20,00,000.00
	Stemz Health Care (BD) Limited	10.05.2018	Health Service	Private Limited	1,00,00,000.00
	Building Dreams Limited	02.10.2017	Construction	Private Limited	6,00,00,000.00
	BMIT Solutions Limited	13.06.2019	IT Service	Private Limited	1,37,54,110.00
	SQ Electricals Limited	07.07.2019	Manufacturing	Private Limited	5,00,00,000.00
SQ Distribution Limited	10.04.2019	Trading	Private Limited	1,00,00,000.00	

Mr. Abdul Kadir Molla, Director					
Sl. No.	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
5.	Thermax Textile Mills Limited	24.04.1997	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Public Limited	1,247,012,116.00
	Thermax Knit Yarn Limited	22.10.2007	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Private Limited	742,255,054.00
	Thermax Spinning Limited	15.10.2008	100% Export oriented Cotton Yarn Manufacturer & Exporter	Private Limited	414,299,969.00
	Thermax Blended Yarn Limited	20.09.2007	100% export Oriented PC,CVC Yarn Manufacturer and Exporter	Private Limited	181,495,856.00
	Indigo Spinning Limited	24.11.2013	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Private Limited	88,861,804.00
	Thermax Melange Spinning Mills Limited	06.08.2006	100% Export Oriented Melange Yarn Manufacturer and Exporter	Private Limited	659,002,990.00
	Thermax Yarn Dyeing Limited	18.03.2008	100% Export Oriented Yarn Dyeing Industry	Private Limited	307,822,404.00
	Adury Knit Composite Limited	21.09.2004	100% Export Oriented Knitting & Dyeing Industry	Private Limited	1,233,598,227.00
	Adury Apparels Limited	01.09.2005	100% Export Oriented Readymade Garments	Private Limited	1,075,356,355.00
	Thermax Woven Dyeing Limited	19.01.2010	100% Export Oriented Woven Fabrics Dyeing & Finishing	Private Limited	184,827,382.00
	Thermax Yarn Dyed Fabrics Limited	14.06.2010	100% Export Oriented Color Fabrics Manufacturer and Exporter	Private Limited	492,177,432.00
	Sister Denim Composite Limited	31.10.2013	100% Export Oriented Denim Fabrics Manufacturer and Exporter	Private Limited	187,592,492.00
	Thermax Check Fabrics Limited	31.10.2013	100% Export Oriented Check Fabrics Manufacturer and Exporter	Private Limited	134,069,717.00
	Thermax Colour Cotton Limited	29.05.2014	100% Export Oriented Color Yarn Manufacturer and Exporter	Private Limited	147,255,829.00
	Sister Garments Limited	19.11.2013	Garments	Private Limited	50,000,000.00
	Sultana Filling Point Limited	25.04.2013	Petrol Pump	Private Limited	54,870,159.00
	Adury Fashion & Print Limited	26.10.2015	100% Export Oriented Readymade Garments & Printing Industry	Private Limited	45,256,182.00
	Adury Ring Denim Spun Limited	29.10.2015	100% Export Oriented Yarn Manufacturer & Exporter	Private Limited	100,000,000.00
	Kadir Molla Medical College & Hospital Limited	23.01.2013	Health Care	Private Limited	100,000,000.00
Sister Denim Composite (Unit-2) Limited	12.01.2020	100% Export Oriented Denim Fabrics Manufacturer and Exporter	Private Limited	50,000,000.00	
Sultana Enterprise	02.12.2012	Trading	Proprietorship	405,105,356.00	

Engr. Md. Moklesur Rahman, Director					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
6.	Contech Construction Limited	29.05.2001	Electric Pole & Pile Construction, Supplier and Development	Limited Company(private)	1,62,50,000.00
	Pre Stressed Pole Limited	09.02.2004	Electric Pole & Pile Construction	Limited Company (private)	48,75,000.00
	B&T Cables Limited	11.01.2005	Manufacturer & Supplier of Electric Cables	Limited Company (private)	1,78,50,000.00
	B&T Cold Storage Limited	25.07.2012	Cold Storage	Limited Company (private)	30,00,000.00
	B&T Development Limited	10.01.2010	Building / Apartment Development & Construction	Limited Company (private)	25,00,000.00
	Nexus Securities Limited	21.09.2005	Brokerage House	Limited Company (private)	3,03,03,446.00
	B&T Meter Limited	17.03.2017	Manufacturer & Supplier of Electric Meter	Limited Company (private)	3,67,000.00
	Tushar Ceramics Limited	22.11.2016	Manufacturer of all Kinds of Tiles & Ceramic Goods	Limited Company (private)	2,50,00,000.00
B&T Transformers Limited	03.01.2017	Manufacturer & Supplier of Transformer	Limited Company (private)	1,00,000.00	

Al-Haj Mizanur Rahman, Director					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
7.	M R Trading Co.	1984	1st Class Govt. Contractor	Proprietorship	502,929,230
	Moon Bangladesh Limited	1994	Real Estate	Partnership	100,00,00,000

Captain M. Moazzam Hossain, Director					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
8.	E-Securities Limited	24.07.2002	Stock Brokerage	Private Limited Company	28,35,99,595.00
	Agrovita Limited	06.10.2004	Agriculture & Agro Processing	Private Limited Company	14,35,05,399.00
	Admiral Trading Corp.	July'1993	Export / Import & Suppliers	Proprietorship	2,00,10,000.00
	Ekushey Homes Limited	09.04.2006	Real Estate Developer & Holdings	Private Limited Company	1,21,73,169.00
	Masters Ocean Voyage	July'1993	Ship Owners & Ship Managers	Proprietorship	1,50,75,000.00
	Radiant Dredging Limited	09.12.2014	River, Bay, Estuaries Dredging Services	Private Limited Company	8,73,46,306.00
	Canadian Trillinium School	09.10.2011	Educational Institute (upto Grade 12)	Trustee	12,50,00,000.00
	Fareast International University	15.10.2013	Education up to Post Graduation	Trustee	23,44,92,501.00

Mr. Hafizur Rahman Babu, Director					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
9.	Joytun Securities International Limited	21.11.2001	Share Trading	Limited Company	21,533,340.00
	Joytun Developers Limited	26.10.2005	Developer & Construction	Limited Company	1,500,000.00
	S.B. Agro Fertilizer Industries Limited	04.03.2004	Fertilizer import	Limited Company	1,000,000.00
	Sheikh Cement Mills Limited	21.11.2010	Manufacturing	Limited Company	18,981,000.00
	Gold Hill Properties Limited	11.05.2010	Importer	Limited Company	450,000.00
	Sheikh Jute Mills Limited	10.06.2010	Manufacturing	Limited Company	500,000.00
	M/S. Sheikh Brothers	01.03.1987	Importer	Proprietorship	-
	M/S. Hafizur Rahman Babu	01.05.1987	Importer	proprietorship	-
	Sheikh Shipping Lines Limited	13.10.2016	Transport	Limited Company	350,000.00
	Sheikh Agro Food Industries	18.02.2015	Importer	Proprietorship	-
	Arising Trade Internation Limited	01.08.2019	Importer	Limited Company	4,000,000.00

Mr. Anwar Hussain, Director					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
10.	SAFAH CNG Refuelling Station Limited	05.04.2003	Refueling Gas Station	Private Limited	1,20,00,000.00
	HAR Industries Limited	24.07.2005	Plastic Manufacturer	Private Limited	1,00,00,000.00
	Abdul Gaffar & Co. (Pvt.) Limited	23.12.1999	Petrochemical Trading	Private Limited	31,90,00,000.00
	Asuka CNG Filling Station Limited	07.08.2006	Refueling Gas Station	Private Limited	50,00,000.00
	AGI Corporation	06.07.2015	Solvent & Chemical Trading	Proprietorship	3,19,00,000.00
	AGI Flex Limited	14.01.2019	Flexible Packaging Industry	Private Limited	1,70,00,000.00

Mrs. Tahmina Afroz, Director					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
11.	Anwer Khan Modern Hospital Limited	18.03.2005	Healthcare	Private Limited	191,67,93,272.00
	Modern Diagnostic Centre Limited	15.09.1991	Health checkup	Private Limited	184,75,58,142.00
	Haji Shakhawat Anwara Eye Hospital Limited	09.05.2005	Eyecare	Private Limited	27,76,95,036.00
	Modern Holdings Limited	17.07.2006	Holding	Private Limited	16,28,11,824.00

<b>Mr. Sk. Shyeduljaman, Director</b>					
Nominated by : Moonstar Ceramic Industries Limited					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
12.	South East Union Ceramic Industries Limited		Manufacturing		
	Mashiyat Fish Farm		Farming		
	AB Siddique & Co.		Trading		

<b>Mr. Mohammad Nawaz, Director</b>					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
13.	Famous Printing & Packaging Limited	06.05.2002	Printing & Packaging	Private Limited	105,00,00,000.00
	Famous Iberchem Flavours & Fragrances Limited	23.4.2005	Flavor Manufacturer & Marketing	Private Limited	80,00,00,000.00
	Famous General Agencies Limited	08.10.2005	Importer, Exporter & Suppliers	Private Limited	1,00,00,000.00
	Macton Limited	-	General Merchant & Supplier	Private Limited	120,00,00,000.00
	F.S. Printing & Packaging Limited	01.10.1985	Printing & Packaging	Private Limited	1,00,00,000.00
	Green Soap & Chemical Co. Limited	29.5.1978	Soap Manufacturer	Private Limited	115,00,00,000.00
	Famous Flavors & Fragrances Limited	17.04.2013	Importer & Suppliers	Private Limited	1,00,00,000.00
	Eden Multicare Hospital	-	Hospital	Private Limited	70,00,00,000.00

<b>Mr. Mohammed Ayub, Director</b>					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
14.	Ayub & Co. Limited	9.4.2002	Real Estate	Private Company	164,031.00
	Pioneer Enterprise	12.7.2004	Packaging	Proprietorship	8,389,441.00
	United Enterprise	19.02.2008	Packaging	Proprietorship	8,781,813.00
	Pacific Enterprise	3.7.2008	Packaging	Partnership	13,449,532.00

Mr. Sakhawat Hussain, Director Nominated by : Haji Shakhawat Anwara Eye Hospital Limited					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
15	N/A	N/A	N/A	N/A	N/A

Mst. Nasima Begum, Director Nominated by : Thermax Textile Mills Limited					
SL	Name of companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (total) in Taka
16	Thermax Textile Mills Limited	24.04.1997	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Public Limited	1,247,012,116
	Thermax Knit Yarn Limited	22.10.2007	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Private Limited	742,255,054
	Thermax Spinning Limited	15.10.2008	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Private Limited	414,299,969
	Thermax Blended Yarn Limited	20.09.2007	100% Export Oriented PC, CVC Yarn Manufacturer & Exporter	Private Limited	181,495,856
	Indigo Spinning Limited	24.11.2013	100% Export Oriented Cotton Yarn Manufacturer & Exporter	Private Limited	88,861,804
	Thermax Melanage Spinning Mills Limited	06.08.2006	100% Export Oriented Melanage Yarn Manufacturer & Exporter	Private Limited	659,002,990
	Thermax Yarn Dyeing Limited	18.03.2008	100% Export Oriented Yarn Dyeing Industry	Private Limited	307,822,404
	Adury Knit Composite Limited	21.09.2004	100% Export Oriented Knitting & Dyeing Industry	Private Limited	1,233,598,227
	Adury Apparels Limited	01.09.2005	100% Export Oriented Readymade Garments	Private Limited	1,075,356,355
	Thermax Woven Dyeing Limited	19.01.2010	100% Export Oriented Woven Fabrics Dyeing & Finishing	Private Limited	184,827,382
	Thermax Yarn Dyed Fabrics Limited	14.06.2010	100% Export Oriented Color Fabrics Manufacturer and Exporter	Private Limited	492,177,432
	Sister Denim Composite Limited	31.10.2013	100% Export Oriented Denim Fabrics Manufacturer and Exporter	Private Limited	187,592,492
	Thermax Check Fabrics Limited	31.10.2013	100% Export Oriented Check Fabrics Manufacturer and Exporter	Private Limited	134,069,717
	Thermax Colour Cotton Limited	29.05.2014	100% Export Oriented Color Yarn Manufacturer and Exporter	Private Limited	147,255,829
	Sister Garments Limited	19.11.2013	-	Private Limited	50,000,000
	Sultana Filling Point Limited	25.04.2013	Petrol Pump	Private Limited	54,870,159
Adury Fashion & Print Limited	26.10.2015	100% Export Oriented Readymade Garments & Printing Industry	Private Limited	45,256,182	
Adury Ring Denim Spun Limited	29.10.2015	100% Export Oriented Yarn Manufacturer & Exporter	Private Limited	100,000,000	
Kadir Molla Medical College & Hospital Limited	23.01.2013	Health Care	Private Limited	100,000,000	

<b>Dr. Syed Hafizur Rahman, Independent Director</b>					
<b>SL</b>	<b>Name of companies</b>	<b>Date of Incorporation</b>	<b>Nature of Business</b>	<b>Legal Status</b>	<b>Equity capital (total) in Taka</b>
17.	Bagerhat Poultry @ Fisheries	2000	Agriculture	Proprietorship	10,000,000.00
	Coal Mark	2007	Trading	Proprietorship	5,000,000.00
	Aliums Trade Associate	2014	Trading	Proprietorship	5,000,000.00

<b>Mr. Md. Sajidur Rahman, Independent Director</b>					
<b>SL</b>	<b>Name of companies</b>	<b>Date of Incorporation</b>	<b>Nature of Business</b>	<b>Legal Status</b>	<b>Equity capital (total) in Taka</b>
18.	Indo-Bangla Trading	22.12.2013	Trading/Outstanding Services	Private	50,00,000
	US-DK Green Energy (BD) Limited	07.05.2013	Renewable Energy	Private	10,00,000
	3. Nitex Limited	24.04.2019	Software	Private	10,00,000
	4. Lenden Limited	21.08.2019	White Label ATMs/ Payments	Private	1,58,00,000
	5. JoBike		Bike Sharing	Private	10,00,000

<b>Mr. Md. Altaf Hossain, Independent Director</b>					
<b>SL</b>	<b>Name of companies</b>	<b>Date of Incorporation</b>	<b>Nature of Business</b>	<b>Legal Status</b>	<b>Equity capital (total) in Taka</b>
19.	N/A	N/A	N/A	N/A	N/A

<b>MrMosleh Uddin Ahmed, Managing Director &amp; CEO</b>					
<b>SL</b>	<b>Name of companies</b>	<b>Date of Incorporation</b>	<b>Nature of Business</b>	<b>Legal Status</b>	<b>Equity capital (total) in Taka</b>
20.	N/A	N/A	N/A	N/A	N/A

**(g) Short bio-data of each director:**

**Short bio-data of each director:**

**Mr. S.M. Amzad Hossain**  
**Chairman**

Mr. S. M. Amzad Hossain, an eminent business personage of the country, has been elected Chairman of the first Board of Directors of South Bangla Agriculture and Commerce Bank Limited on February 20, 2013 and subsequently reappointed for a further period of three years on 10 February 2019. Mr. Hossain traversed a long path of business which for himself ramified into trade and other parts of commerce. As a philanthropist, Mr. Hossain has established several schools, colleges, mosques and other socio-religious institutions

**Mr. Talukder Abdul Khaleque**  
**Vice Chairman & Independent Director**

Mr. Talukder Abdul Khaleque is an Independent Director & the Vice-Chairman of South Bangla Agriculture & Commerce Bank Limited. Moreover, He is the Chairman of Executive Committee of the Board. He graduated from M M City College in 1974. Mr. Talukder Abdul Khaleque is the proprietor of M/S. Nahar Trading. He is a veteran politician of Bangladesh. Mr. Talukder is former State Minister. Presently, he is the Mayor of Khulna City Corporation.

**Captain M. Moazzam Hossain**  
**Director**

Captain Mohammed Moazzam Hossain, F.C.I.T., is a Sponsor Director of the Bank. He is also the Chairman of Risk Management Committee of the Board. He was born on 01 June 1961 in Bangladesh. He obtained his M.Sc. Degree from Bundeswehr University, Germany in 1986. He also qualified Master Class I from Australian Maritime Safety Authority and is a Fellow of Chartered Institute of Transport (FCIT), UK. His student life was full of brilliant academic achievements. He started his career in Bangladesh Navy as a Commissioned Officer in 1980 and later on joined Merchant Fleet and commanded ocean going large ships/vessels as Captain and continued till 1995. Mr. Hossain is a successful entrepreneur, industrialist and a Businessman of Bangladesh having diversified experience in the business of Bank, Financial Industries, Stock Brokerage and Investment Banking.

**Mr. Abdul Kadir Molla**  
**Director**

Mr. Abdul Kadir Molla is one of the Sponsor Directors of the Bank. He obtained his MBA degree from American World University. Mr. Molla is one of the successful ones having huge conglomerates in the spinning, dyeing and knitting industries. He visited most of the countries in the world. He has a good reputation in overseas business.

**Mr. Abu Zafar Mohammad Shofiuddin**  
**Director**

Mr. Abu Zafar Mohammad Shofiuddin is one of the Sponsor Directors of South Bangla Agriculture and Commerce Bank Limited. He is a prominent business personality in the country. He obtained B.Com (Hons.) and M.Com (Marketing) degree from University of Dhaka in 1991 & 1992 respectively. He has started his business in 1992 and established SQ Group of Companies.

**Al-haj Mizanur Rahman**  
**Director**

Al-haj Mizanur Rahman is one of the Sponsor Directors of the Bank. Mr. Rahman is a prominent business personage having huge conglomerates in the Real estate, Construction, Housing and Print media sector. Besides, he has involved himself in different socio economic activities.

**Engr. Md. Moklesur Rahman**  
**Director**

Engineer Mohammad Moklesur Rahman is one of the visionary industrialists in Bangladesh. He is one of the founding sponsor Directors of South Bangla Agriculture & Commerce Bank Limited. He obtained his B.Sc. Civil Engineering degree from Chittagong University of Engineering and Technology (former Chittagong Engineering College), one of the top universities in Bangladesh. He has always been a dreamer and wanted to run his own business since the early age, after gaining experience while working in Gemcon Group. On 29 May, 2001, he started Contech Construction Ltd. one of the most highly respected SPC Piles & Poles suppliers in Bangladesh.

**Begum Sufia Amjad**  
**Director**

Begum Sufia Amjad is one of the Sponsor Directors of South Bangla Agriculture & Commerce Bank Limited. She is also associated with several business firms of Lockpur Group. She is a successful entrepreneur in frozen fish industry. Begum Sufia Amjad, wife of Mr. S. M. Amzad Hossain has a remarkable contribution in socio economic activities in her local area.

**Mr. Hafizur Rahman Babu**  
**Director**

Mr. Hafizur Rahman Babu is one of the prominent business persons and renowned entrepreneurs of the country. He is a sponsor Director of South Bangla Agriculture & Commerce Bank Ltd.

**Mr. Anwar Hussain**  
**Director**

Mr. Anwar Hussain is one of the Sponsor Directors of the Bank. He is a young, well-reputed and emerging businessperson in the country. He has obtained Bachelor Degree in Business Administration. His goal is to bring in innovation and dynamism in his business.

**Mrs. Tahmina Afroz**  
**Director**

Mrs. Tahmina Afroz is one of the Sponsor Directors of South Bangla Agriculture & Commerce Bank Limited. She obtained her B.Sc. degree from Dhaka University. She is a notable business person in the country particularly in the Health Care Sector.

**Mst. Nasima Begum**  
**Director (Nominated by Tharmex Textile Mills Ltd.)**

Mst. Nasima Begum is one of the Directors of South Bangla Agriculture & Commerce Bank Limited nominated by Tharmex Textile Mills Ltd. She is a notable business person in the country particularly in the Garments sector.

**Mr. Sk. Shyedujjaman**  
**Director (Nominated by Moonstar Ceramic Industries Ltd.)**

Mr. Sk. Shyedujjaman is one of the Directors of South Bangla Agriculture & Commerce Bank Limited, nominated by Moonstar Ceramic Industries Ltd. He obtained BBA and MBA (Marketing) degree from AMC College, Bangalore in 2001 & 2003 respectively.

**Mr. Mohammad Nawaz**  
**Director**

Mr. Mohammad Nawaz is one of the Directors of South Bangla Agriculture & Commerce Bank Limited. He is a renowned and successful industrialist of the country having diversified business portfolio. Mr. Nawaz was born in a respectable Muslim Family at Dhaka in July 25, 1975. He obtained his B.Sc. and Masters (Marketing & Management) Degree from University of Plymouth. In 2003, He did a Ph.D. in Chemistry as well. After returning to the Country in 2004, He started Famous Printing & Packaging Limited (famouspack), one of the leading flexible packaging industry supplying laminates to multinational companies.

**Mr. Mohammed Ayub**  
**Director**

Mr. Mohammed Ayub is one of the Sponsor Directors of South Bangla Agriculture & Commerce Bank Limited. He was born in a respectable Muslim family at Chittagong in 1962. He obtained his B.Com. degree from Chittagong University in 1981. He is a reputed and emerging business man in the country.

**Mr. Md. Sakhawat Hussain**  
**Director (Nominated by Haji Shakhawat Anwara Eye Hospital Ltd.)**

Mr. Sakhawat Hussain is one of the Directors of the Bank nominated by Haji Shakhawat Anwara Eye Hospital Ltd. He is a former banker. He obtained his post graduate degree from Rajshahi University in 1966. He had worked in Janata Bank Limited for about 30 years.

**Dr. Syed Hafizur Rahman**  
**Independent Director**

Dr. Syed Hafizur Rahman is an Independent Director of South Bangla Agriculture & Commerce Bank Limited. He obtained his Masters (Economics) Degree from Rajshahi University in 1982 and achieved the Ph.D. in Economics from Ochano Mieju University, Japan in 1990. He is highly respected for his contribution to the society through his numerous welfare works and well recognized for his involvement with various socio-economic organizations such as, Bangladesh Economic Association, Bangladesh Red Crescent Society, Bangladesh Human Rights Commission, Bangladesh Debating Society, Khulna University & Rotary District Hospital, Umesh Chandra Public Library, Rajshahi University Alumni Association and Sonali Otis Club, Khulna.

**Mr. Md. Sajidur Rahman**  
**Independent Director**

Mr. Md. Sajidur Rahman is one of the independent Directors of SBAC Bank Ltd. He is the Chairman of Audit Committee of the Board. He completed his Master of Commerce (Marketing) & Bachelor of Commerce degree as First Class First from University of Dhaka. He also studied at London Business School and Oxford University. He is a regular speaker on topics of banking, financial services, health services and different technology trends.

**Mr. Md. Altaf Hossain**  
**Independent Director**

Mr. Md. Altaf Hossain is one of the independent Directors of SBAC Bank Ltd. He was born on 21<sup>st</sup> February, 1960 in Chuadanga. He obtained his B.SC. Engineering (civil) degree in 1982 from Rajshahi Engineering College, then he completed Post Graduate in Government & Politics, and Human Resource Planning & Development. After Completion of his academic study Mr. Hossain joined in public service as Assistant Commissioner at Divisional Commissioner office in Rajshahi. During his long period of service he rendered his noteworthy services as Assistant Commissioner at DC Office in Lalmonirhat, Assistant Director & Deputy Director in BPATC, Senior Assistant Secretary at Ministry of Science and Technology, Upazila Nirbahi Officer at Khansama upazila in Dinajpur, Senior Assistant Secretary & Deputy Secretary at Finance Division, Additional Deputy Commissioner at DC

Office in Satkhira, Deputy Commissioner at DC Office in Barguna, Deputy Secretary at Ministry of Cultural Affairs, Secretary at Bangla Academy, Joint Secretary & Additional Secretary at Ministry of Public Administration, and Director General at Department of Archaeology.

Mr. Mosleh Uddin Ahmed

**Managing Director & Chief Executive Officer**

Mr. Mosleh Uddin Ahmed is the Managing Director and Chief Executive Officer (CEO) of South Bangla Agriculture and Commerce Bank Limited. He has a wide area of experience in the avenues of banking business, financial operations, risk and compliance management, capital market, money market, forecasting and operations with deep insight in the Banking Industry. Prior to his present appointment as Managing Director & CEO of SBAC Bank Ltd., Mr. Ahmed was Managing Director and Additional Managing Director at National Credit and Commerce (NCC) Bank Limited. During his long banking career he has served in specialized Govt. Bank, NBFI, Foreign Bank and Private Commercial Banks. Mr. Ahmed served in Jamuna Bank Ltd. as Additional Managing Director & Deputy Managing Director, in the City Bank Ltd. as Senior Executive Vice President (SEVP). Besides, he has served in different capacities in the City Bank Ltd., State Bank of India, Prime Bank Ltd. and Phoenix Leasing Company Limited. He participated at a number of trainings, seminars & symposiums and workshops at home and abroad (UK, New Delhi, Netherlands Malaysia, Thailand, Singapore etc.).

**(h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:**

Neither the Company nor any of its directors and shareholders who hold 10% or more shares in the paid up capital of SBAC is loan defaulter in terms of the CIB report of Bangladesh Bank.

(i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

Sl.	Name	Position	Educational Qualification	Age (Years)	Date of Joining	Overall Experience (In years)	Previous Employment	Total Salary Paid up to 30.09.2020 (09 months)	Total Salary Paid up to (01.01.2019 to 31.12.2019 (12 months)
1	Mr. Tariqul Islam Chowdhury	MD & CEO (Head Office)	M.Com in Accounting	61.75	01.07.2018	36 years, 10 months	Sonali Bank Limited	5230838.72	3789041.00
2	Mr. Mohammed Salim Chowdhury	DMD (Head Office)	M.Com in Accounting	58.13	01.09.2013	33 years, 6 months	The Premier Bank Limited	4196100.00	5415871.00
3	Mr. Md. Mamunur Rashid Molla	DMD (Head of Agrabad Branch)	MBA in Finance & Banking	54.13	05.04.2016	31 years, 5 months	National Bank Limited	4196100.00	5415870.00
4	Mr. Shafiuddin Ahmed	DMD & CAMLCO (Head Office)	M.Sc in Statistics	58.04	02.10.2016	31 years, 5 months	The Premier Bank Limited	4011700.00	4830600.00
5	Mr. Md. Altaf Hossain Bhuyan	DMD (Head of Banani Branch)	MBA in Finance & Accounting	49.86	13.11.2014	23 years, 8 months	Shahjalal Islami Bank Limited	4309700.00	5442570.00
6	Mr. Md. Kamal Uddin	DMD & CRO (Head Office)	MBA in Finance	57.66	01.10.2013	27 years	Jamuna Bank Limited	3997300.00	4719000.00
7	Mr. Md. Mizanur Rahman	EVP (Head of Information Technology Division & Human Resources Division)	MBA in MIS	53.22	01.04.2013	29 years, 7 months	The Premier Bank Limited	3331170.00	3993480.00
8	Mr. Salahuddin Ahmed	EVP (Head of Credit Administration Division)	MBA in Management Studies	49.51	15.01.2015	23 years, 10 months	Prime Bank Limited	2914740.00	3889950.00
9	Mr. Mohammad Asadul Haque	EVP (Head of Treasury Division & Banking Operations Division)	M.Com in Accounting	45.66	07.08.2013	20 years, 8 months	Mutual Trust Bank Limited	2794950.00	3559230.00

Sl.	Name	Position	Educational Qualification	Age (Years)	Date of Joining	Overall Experience (In years)	Previous Employment	Total Salary Paid up to 30.09.2020 (09 months)	Total Salary Paid up to (01.01.2019 to 31.12.2019 (12 months)
10	Mr. Md. Masoodur Rahman FCA	EVP & CFO (Head of Financial Administration Division)	M.Com in Accounting	41.61	18.07.2013	14 years, 3 months	Eastern Bank Limited	2794950.00	3448440.00
11	Mr. Asirul Haque	SVP (Head of Risk Management Division)	MBA in Finance	46.26	19.03.2014	20 years, 3 months	One Bank Limited	2537400.00	3192390.00
12	Mr. Abu Bayazid SK	SVP (Head of Islamic Banking Division)	M.sc in Geography	52.58	01.04.2013	25 years, 7 months	The Premier Bank Limited	2658120.00	3335190.00
13	Mr. Md. Mokaddess Ali ACS	SVP & CS (Head of Board Division & Principal, Training Institute)	MBA in Banking	47.75	02.09.2013	18 years, 3 months	One Bank Limited	2310300.00	2915160.00
14	Mr. Md. Abdul Mannan	SVP (Head of ICC Division & Legal Affairs & Recovery Division)	MBA in AIS	46.83	17.06.2015	20 years, 2 months	IFIC Bank Limited	2201400.00	2764500.00
15	Mr. A.N.M. Moyeej Ahmed	VP (Head of International Division)	M.com in Management	40.75	17.04.2013	16 years, 1 month	Jamuna Bank Limited	2114820.00	2672940.00
16	Mr. Mohammad Shafiul Azam	VP (Head of Digital Financial Inclusion Division & General Services Division)	MSS in Political Science	43.96	01.07.2013	21 years, 9 months	Mutual Trust Bank Limited	2114820.00	2672940.00
17	Mr. Abu Salem Mohammad Hojaiffa Noman	VP (Head of Credit Division)	MS in Economics	41.59	17.04.2013	16 years, 1 month	Jamuna Bank Limited	2114820.00	2659350.00
18	Mr. Md. Limon Sikder	SEO (Head of AML & CFT Division)	MBA in Finance & Banking	37.55	09.06.2013	14 years	Southeast Bank Limited	1270512.00	1660800.00

(j) Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed:

According to the information provided by the Bank, there were no changes in the key management especially not in the production, planning, finance, and marketing during the last three years prior to the date of filing the prospectus except the following:

Sl.	Name	Position	Date of Joining/Resigned/Promoted
1	Mr. Mosleh Uddin Ahmed	MD & CEO	Joined on 01.05.2021
2	Mr. Tariqul Islam Chowdhury	Former MD & CEO	Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 & his notice period was ended 30 April 2021
3	Mr. Md. Golam Faruque	Former MD & CEO	Resigned on 08.03.2020
4	Mr. Mostafa Jalal Uddin Ahmed	Former AMD	Resigned on 30.04.2020
5	Mr. Mohammed Salim Chowdhury	DMD	Promoted as DMD on 22.05.2018
6	Mr. Md. Mamunur Rashid Molla	DMD	Promoted as DMD on 22.05.2018
7	Mr. Shafiuddin Ahmed	DMD	Promoted as DMD on 01.01.2020
8	Mr. Md. Altaf Hossain Bhuyan	DMD	Promoted as DMD on 01.01.2020
9	Mr. Md. Kamal Uddin	DMD	Promoted as DMD on 01.01.2020

(k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position:

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. S.M. Amzad Hossain Father's Name: Ishaque Ali Age: 63 Years Personal Address: 51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	COM. DIPLOMA	33 Years	Chairman	Chairman	Lockpur Fish Processing Co. Ltd.
					Khulna Printing & Packaging Ltd.
					Bagerhat Seafood Ind. Ltd.
					Shampa Ice & Cold Storage Ltd.
					Western Inn International Ltd.
					Metro Bricks Ltd.
					Moon Star Jute Mills Ltd.
					Khulna Builders Ltd.
					Bangladesh Poly Printing Int'l Ltd.
					Rupsha Fish & Allied Industries Ltd.
					Ideal Polymer Export Ltd.
					Eastern Polymer Ltd.
					Moon Star Fish Ltd.
Ocean Trade International					
Name: Begum Sufia Amjad Father's Name: Shamsuddin Ahamed Age: 54 Years Personal Address: 51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	H.S.C	28 Years	Director	Director	Lockpur Fish Processing Co. Ltd.
					Khulna Printing & Packaging Ltd.
					Bagerhat Seafood Ind. Ltd.
					Shampa Ice & Cold Storage Ltd.
					Western Inn International Ltd.
					Metro Bricks Ltd.
					Moon Star Jute Mills Ltd.
					Khulna Builders Ltd.
					Rupsha Fish & Allied Industries Ltd.
					Moon Star Fish Ltd.

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Miss Tajori Father's Name: S. M. Amzad Hossain Age: 27 Years Personal Address: 51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	Graduation	9 Years	Sponsor Shareholder	Sponsor Shareholder	Lockpur Shipping Lines
Name: Mr. Abu Zafar Mohammad Shofiuddin Father's Name: M A Quader Age: 51 Years Personal Address: 9/10 Iqbal Road, Block-A, Mohammadpur, Dhaka-1207	M.Com	23 Years	Sponsor Director	Sponsor Director	SQ Wire & Cable Co. Ltd.
					SQ Trading & Engineering
					SQ Light Ltd.
					SQ Wood Preservatives
					SQ Energy Ltd.
					SQ Power Solutions
					SQ Properties Ltd.
					SRN Power
					Stenz Health Care (BD) Ltd.
					Power-Add
					Techno Electricals Ltd.
					TSCO Power Ltd.
					TS Transformers Ltd. .
					Building Dreams Ltd.
BMIT Solutions Ltd.					
SQ Electricals Ltd.					
SQ Distribution Ltd.					

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Abdul Kadir Molla Father's Name: Abdul Mazid Molla Age: 59 Years Personal Address: Poronto Bela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi	MBA	23 Years	Director	Director	Thermax Textile Mills Ltd.
					Thermax Knit Yarn Ltd.
					Thermax Spinning Ltd.
					Thermax Blended Yarn Ltd.
					Indigo Spinning Ltd.
					Thermax Melange Spinning Mills Ltd.
					Thermax Yarn Dyeing Ltd.
					Adury Knit Composite Ltd.
					Adury Apparels Ltd.
					Thermax Woven Dyeing Ltd.
					Thermax Yarn Dyed Fabrics Ltd.
					Sister Denim Composite Ltd.
					Thermax Check Fabrics Ltd.
					Thermax Colour Cotton Ltd.
					Sister Garments Ltd.
					Sultana Filling Point Ltd.
Adury Fashion & Print Ltd.					
Adury Ring Denim Spun Ltd.					
Kadir Molla Medical College & Hospital Ltd.					
Sister Denim Composite (Unit-2) Ltd.					
Sultana Enterprise					

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Engr. Md. Moklesur Rahman Father's Name: Suja-ud-dowala Tarafder Age: 60 Years Personal Address: House # 78, Road # 2, Banani, Dhaka-1213	BSC Engr. (Civil)	19 Years	Director	Director	Contech Construction Ltd.
					Pre Stressed Pole Ltd.
					B&T Cables Ltd.
					B&T Cold Storage Ltd.
					B&T Development Ltd.
					B&T Meter Ltd.
					Tushar Ceramics Ltd.
					B&T Transformers Ltd.
Nexus Securities Ltd.					
Name: Mr. Md. Amzad Hossain Father's Name: Alhaj Momin Uddin Gazi Age: 65 Years Personal Address: #1 Hazi Tomizuddin Road, P.S. Sonadanga, Khulna-9100	Graduation	28 Years	Director	Ex- Director	-
Name: Al-Haj Mizanur Rahman Father's Name: Al-Haj Sekender Mollik Age: 63 Years Personal Address: Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212	H.S.C	36 Years	Director	Director	M R Trading Co.
					Moon Bangladesh Ltd.
Name: Captain M. Moazzam Hossain Father's Name: Mohammad Sekander Ali Age: 59 Years Personal Address: House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206	MSc	27 Years	Director	Director	E-Securities Ltd.
					Agrovita Ltd.
					Admiral Trading Corp.
					Ekushey Homes Ltd.
					Masters Ocean Voyage
					Radiant Dredging Ltd.
					Canadian Trillinium School
Fareast International University					

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Motiur Rahman Father's Name: Khabir-ur Rahman Age: 63 Years Personal Address: : House # 125,Road # Deshbondhu CittoRonjon, TB Clinic, P.S: Kotwali, P.O+District: Jashore-7400	Graduation	24 Years	Director	Sponsor Shareholder	Great Walls Land Property Ltd.
					PLFS Investment Ltd.
					Uttara Lake View Specialized
					Hospital Pvt. Ltd.
					Shoppers World Ltd.
					Jess Tower
					Highway Filling Station.
					MK Connection.
					MK Link.
					MK Trade International.
					M/S Motiur Rahman.
					M/S Arman Enterprise.
					12. Intelligent Technology Solutions ltd.
					13. Noor Asset Development Ltd.
					14. Fareast International University.
					15. Canadian Trillinium School Ltd.
					16. Chowdhury Travels.
					17. MK Aero Aviation Pvt. Ltd.
18. Innovative Properties Ltd.					
Name: Ms. Kamrun Nahar Father's Name: Kamruzzaman khan Age: 56 Years Personal Address: House# 125, Road# Deshbondhu Citoronjon, TB Clinic, P.S: Kotwali, P.O+District: Jashore-7400	Graduation	13 Years	Sponsor Shareholder	Sponsor Shareholder	Canadian Trillinium School Ltd.
					Noor Asset Development Ltd.
					Intelligent Technology Solutions Ltd.
					MK Fisheries.

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Dr. Mysha Khabir Father's Name: Mr. Motiur Rahman Age: 27 Years Personal Address: : House # 125, Road # Deshbondhu Citto Ronjon, TB Clinic, P.S: Kotwali, P.O+District: Jashore-7400	MBBS	9 years	Sponsor Shareholder	Sponsor Shareholder	MM Fisheries Canadian Trillinium School Ltd. Assurance Asset Management Ltd. E-Securities Ltd.
Name: Late Sanawar Banu Father's Name: Khaja Wahidullah Date of death: 07 June 2020 Personal Address: 38 Mitford Road, Dhaka	N/A	N/A	Director	N/A	-
Name: Mr. Iqbal Haider Chowdhury Father's Name: Azizul Haque Chowdhury Age: 57 Years Personal Address: : Flat # 604, Eastern Heaven, 9 Segun Bagicha, Shahbag, Dhaka-1000	HSC	20 Years	Sponsor Shareholder	Sponsor Shareholder	M/S. Iqbal Trading Corporation
Name: Mr. Mohammed Nazrul Islam Father's Name: Md. Sirajul Islam Age: 57 Years Personal Address: Holding # 354/9/X-4, Cordial Homes, Road # Dilu Road, Dhaka- 1000	HSC	27 Years	Sponsor Shareholder	Sponsor Shareholder	M/S Comilla Hardware & Paint Store Comilla Rotography Process Maysha traders M/S Nayna Enterprise Sheren Enterprise M/S Safwan Enterprise
Name: Mr. A. K. M. Mizanur Rahman, FCA Father's Name: Al-Haj Habibur Rahman Age: 64 Years Personal Address: House # 55, Road # 28, Gulshan-1, Dhaka-1212	Chartered Accountant	36 Years	Sponsor Shareholder	Sponsor Shareholder	SCL Securities Ltd. Green Garden Developments Ltd. Shafiq Mizan Rahman & Augustine, Chartered Accountants

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Mainul Huq khan (Representing Padma Lamitube Ltd.) Father's Name: Late Abdul Wahab Khan Age: 64 Years Personal Address: 32/1 Dilu Road, New Eskaton, Dhaka	Graduation	32 Years	Sponsor Shareholder	Sponsor Shareholder	Padma Cap Manufacturing Co. Ltd.
					Padma Glass Ltd.
					Padma Lamitube Ltd.
					Padma Crown Ltd.
					Padma Cans & closures Ltd.
					Ratmat Metal Ind. Ltd.
					Padma Paper Mills Ltd.
Name: Mr. Mozaharul Haque Shahid Father's Name: Al-haj Md. Abdul Haque Age: 56 Years Personal Address: Village: Benapole Bazar, P.O: Benapole, Police Station: Benapole Port, District: Jessore	MBA	28 Years	Sponsor Shareholder	Sponsor Shareholder	Padma blowing Ltd.
					S.S Enterprise
					Raj Rubbar & Plastic Industries
					Haque Food Industries
					Bismillah Industries
					Bismillah Industries Ltd.
Name: Mr. Md. Emdadul Haque Father's Name: Al-haj Md. Abdul Haque Age: 51 Years Personal Address: Village: Benapole Bazar, P.O: Benapole, Police Station: Benapole Port, District: Jessore	Technical Kamil	22 Years	Sponsor Shareholder	Sponsor Shareholder	Natural Rubber Garden Ltd.
					Bismillah Industries Ltd.
					Natural Rubber Garden Ltd.
					Bismillah Industries
					Raj Rubbar & Plastic Industries
					Haque Food Industries
Name: Mr. Md. Eathashamul Haque Father's Name: Al-haj Md. Abdul Haque Age: 52 Years Personal Address: Village: Benapole Bazar, P.O: Benapole, Police Station: Benapole Port, District: Jessore	BBA	22 Years	Sponsor Shareholder	Sponsor Shareholder	Haque Accessories Industries
					Bismillah Industries Ltd.
					Natural Rubber Garden Ltd.
					Bismillah Industries
					Raj Rubbar & Plastic Industries
					Haque Food Industries
Haque Accessories Industries					

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Kafil Uddin Bhuiyan Father's Name: A. K. M. Main Uddin Bhuiyan Age: 53 Years Personal Address: Village: Fatehpur, P.O: Fatehpur, P.S.: Feni, District: Feni	M.A	26 Years	Sponsor Shareholder	Sponsor Shareholder	Biplob Traders Ltd.
					Impex Trading Co
					East Bengal Shipping Lines
					Biplob Shipping Lines
					Biplob Properties Ltd.
					Hotel-D-Castle Ltd.
Name: Mr. Hafizur Rahman Babu Father's Name: Alhaj Sheikh Hatem Ali Age: 58 Years Personal Address: "Joytun Raita" House # 20, Road # 123, Gulsahn 01, Dhaka-1212	S.S.C	31 Years	Director	Director	Stock & Bond Ltd.
					Joytun Securities International Ltd.
					Joytun Developers Ltd.
					S.B. Agro Fertilizer Industries Ltd.
					Sheikh Cement Mills Ltd.
					Gold Hill Properties Ltd.
					Sheikh Jute Mills Ltd.
					M/S. Sheikh Brothers
					M/S. Hafizur Rahman Babu
					Sheikh Shipping Lines Ltd.
Sheikh Agro Food Industries					
Name: Mr. Shahab Uddin Khan Father's Name: Mohmadulla Khan Age: 64 Years Personal Address: House # 17, Flat # 301/A, Road # 55, Gulshan-2, Dhaka-1212	MBA	28Years	Sponsor Shareholder	Sponsor Shareholder	Arising Trade Internation Ltd.
					Zeeshan International Agencies Pvt Ltd.
Name: Hazera Begum [Representing Abdul Gaffar & Com (pvt) Ltd.] Father's Name: Age: 76 Years Personal Address: 69 Begum Bazar, Dhaka-1100	N/A	80 Years	Sponsor Shareholder	Sponsor Shareholder	Hanzee Industrial Company Ltd.
					Abdul Gaffar & Com (pvt) Ltd.

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Anwar Hussain Father's Name: Haji Abdul Gaffar Age: 38 Years Personal Address: 8 SCC Road, Babu Bazar, Kotowali, Dhaka	BBA	21 Years	Director	Director	SAFAH CNG Refueling Station Ltd.
					HAR Industries Ltd.
					Abdul Gaffar & Co. (Pvt.) Ltd.
					Asuka CNG Filling Station Ltd.
					AGI Corporation
Name: Mr. Mohammad Imran Father's Name: Haji Abdul Gaffar Age: 41 Years Personal Address: 8 SCC Road, Babu Bazar, Kotowali, Dhaka	MA	21 Years	Sponsor Shareholder	Sponsor Shareholder	AGI Flex Ltd.
					Abdul Gaffar & Com (pvt) Ltd.
					Asuka CNG filling station Ltd.
					Har Industries Ltd.
					Mohammad Imran & Brothers
Name: Mrs. Tahmina Afroz Father's Name: Khaiz Ahmed Age: 45 Years Personal Address: House # 17, Road # 8, Dhanmondi, Dhaka-1205	B.Sc	17 Years	Director	Director	Safah CNG refueling station Ltd.
					Anwer Khan Modern Hospital Ltd.
					Haji Shakhawat Anwara Eye Hospital Ltd.
					Modern Diagnostic Centre Ltd.
Name: Mrs. Shamima Hossain Father's Name: A.M. Khurshid Alam Age: 53 Years Personal Address: House # 145. Road # 10, Sonadanga R/A, Khulna	SSC	25 Years	Sponsor Shareholder	Sponsor Shareholder	Modern Holdings Ltd.
					M/S Shamima Fisheries
Name: Mr. Sakhawat Hussain Father's Name: Abdul Malek Sikder Age: 77 Years Personal Address: 24, Palash Nagar, Mirpur-11, Dhaka	MA	53 Years	Director	Director	Mr. Sakhawat Hussain, Nominated by Hazi Shakhawat Anwara Eye Hospital Ltd.

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Sk. Shyed-uj-Jaman Father's Name: SK. Abubakkar Siddique Age: 46 Years Personal Address: House # 75, Road # 03, Sonadanga R/A, KDA New Market, Sonadanga, Khulna	MBA	20 Years	Director	Director	Mashiyat Fish Firm South East Union Ceramic Industries Ltd. AB Siddique & Co.
Name: Ms. Farjana Farhad Father's Name: Amzad Hossain Age: 28 Years Personal Address: 51 Khan-A-Sabur Road, Khulna	Graduation	10 Years	Sponsor Shareholder	Ex Sponsor Shareholder	Chaity Enterprise Vertex Fish Production Ltd.
Name: Mr. Talukder Abdul Khaleque Father's Name: Ayub Ali Talukder Age: 68 Years Personal Address: 33, Munsii Para, 3rd Lane, Khulna	Graduation	43 Years	Sponsor Director	Vice - Chairman & Independent Director	M/S Nahar Trading
Name: Mr. Mrinal Kanti Debnath Father's Name: Amullya Kumar Debnath Age: 63 Years Personal Address: Village: Jaria Baroy Danga, P.S: Lockpur-9241, Fakirhat, Bagerhat	B.SC	35 Years	Sponsor Shareholder	Ex Sponsor Shareholder	-
Name: Mr. Sujit Kumar Saha Father's Name: Kalipada Saha Age: 61 Years Personal Address: 21, KD Ghos Road, Khulna- 9100	B.SC	29 Years	Sponsor Shareholder	Ex Sponsor Shareholder	-

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Khan Habibur Rahman Father's Name: Aynal Khan Age: 65 Years Personal Address: House # 48/2, Plot # 11, Rupsha Stand Road, Road # Ispahani 1st Lane, P.O: Khulna-9100	B.SC	34 Years	Sponsor Shareholder	Ex-Director	-
Name: Ms. Sadnam Sadiana Husband Name: Sk. Shyed-uj-jaman Age: 40 Years Personal Address: Village: Khajura, P.O: Lockpur-9241, P.S: Fakirhat, District: Bagerhat	Master's in commerce	19 Years	Sponsor Shareholder	Sponsor Shareholder	Western Inn Int. Ltd.
Name: Mr. S. M. Alamgir Father's Name: S. M. Syed Ali Age: 67 Years Personal Address: House # 129, Mazid Sharini, P.O.: KDA New Market, Khulna	Graduation	28 Years	Sponsor Shareholder	Ex Sponsor Shareholder	M/S Ripa Enterprise M/S Al Mumin Steel Centre M/S Al Mumin Interior Decorator
Name: Mr. S. M. Jahangir Father's Name: S. M. Syed Ali Age: 62 Years Personal Address: : House # 129, Mazid Sharini, P.O.: KDA New Market, Khulna	SSC	28 Years	Sponsor Shareholder	Ex Sponsor Shareholder	M/S Ripa Enterprise
Name: Ms. Halima Khatun Husband Name: Md. Yunus Ali Sheikh Age: 49 Years Personal Address: Flat # 1/B, House # 35/A, Road # 4, Dhanmandi R/A, Dhaka	Master's in sociology	29 Years	Sponsor Shareholder	Sponsor Shareholder	Motsho Khamar Business
Name: Mr. Amit Ganguly Pallab Father's Name: Tapan Ganguly Age: 40 Years Personal Address: Village: Ramnathpur,	B.Com	15 Years	Sponsor Shareholder	Ex Sponsor Shareholder	Vertex Fish Production Ltd.

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
P.O: Shimulia, Debhata, Satkhira-9430					
Name: Mr. Goutam Kumar Kundu Father's Name: Profullo Kumar Kundu Age: 47 Years Personal Address: Village: Jaria Mite Komra, P.O: Lockpur-9241, Fakirhat, District-Bagerhat	HSC	32 Years	Sponsor Shareholder	Ex Sponsor Shareholder	-
Name: Mr. Md. Rezaul Haque Father's Name: Md. Bahar Ali Age: 63 Years Personal Address: 4.T.B. Boundary Road, Khulna	HSC	24 Years	Sponsor Shareholder	Ex Sponsor Shareholder	Modern Sea Food Industries Ltd. Bright Seafood limited Southwest Printing & Packaging Ltd.
Name: Mr. Imtiaz Ahmed Father's Name: Abdur Razzak Akand Age: 48 Years Personal Address: Manik tala, Daulatpur, Khulna	BSC	31 Years	Sponsor Shareholder	Ex Sponsor Shareholder	Abdur Razzaque Ltd. Mitali Food Ind's Ltd. Gopinathpur Himagar Ltd. Ocean Food Ltd.
Name: Mr. Maksudur Rahman Father's Name: Alhaj Sayedur Rahman Age: 70 Years Personal Address: 108, Panchlaish R/A, PO: Chowkbazar Panchlaish, Chittagong -4203	BA	23 Years	Director	Sponsor Shareholder	Ratanpur Steel Re-Rolling Mills Ltd. Ratanpur Shipping Lines Ltd. Ratanpur Ship Re-cycling Industries Ltd. Ratanpur Shipping Services L td. Ratanpur Real-State Ltd. Sapphire Corporation Ltd.
Name: Mr. Md. Mizanur Rahman Father's Name: Maksudur Rahman Age: 38 Years Personal Address: 108, Panchlaish R/A, PO: Chowkbazar, Panchlaish, Chittagong -4203	MBA	10 Years	Sponsor Shareholder	Sponsor Shareholder	Modern steel mills Ltd. Ratanpur shipping Lines Ltd. Ratanpur Shipping Services Ltd. Fareast Property Development Ltd. Dynamic Steel Corporation

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mrs. Shamsun Nahar Rahman Father's Name: Shah Sufi Fazlul Haque Sharif (Rh.) Age: 55 Years Personal Address: 108, Panchlaish R/A, PO: Chowkbazar, Panchlaish, Chittagong -4203	HSC	23 Years	Sponsor Shareholder	Sponsor Shareholder	Ratanpur Steel Re-rolling mills Ltd.
					Ratanpur ship recycling Industries Ltd.
					SM steel Re-rolling mills Ltd.
					M.Rahman steel mills Ltd.
Name: Mr. Mohammed Ilias Father's Name: Al-haji Md. Ismail Age: 55 Years Personal Address: 183, Anderkillah, Sadar, Kotowali, Chittagong.	Graduation	20 Years	Sponsor Director	Sponsor Shareholder	Liberty Enterprise Ltd.
					Liberty Accessories (BD) Ltd.
					MIP (BD) Ltd.
					Sunrise Accessories Ltd.
					Chittagong Cartons Ltd.
					Liberty Poly Zone (BD) Ltd.
					AMI Accessories (BD) Pvt. Ltd.
					Elfat Poly Packaging and Accessories Ltd.
Rahman Poly, Hanger & Accessories Industry Ltd.					
Name: Mr. Mohammed Ayub Father's Name: Al-Haj Md. Ismail Age: 58 Years Personal Address: Darus Salam, 34/A Panchlaish R/A, Chawkbazar, Panchlaish, Chittagong	B.Com	20 Years	Sponsor Shareholder	Director	Ayub & Co. Ltd.
					Pioneer Enterprise
					United Enterprise
					Pacific Enterprise

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Muhammad Mohsin Father's Name: Abu Saad Age: 60 Years Personal Address: Abdul Bari Mukter Bari, Broom Chora, P.O: Broom Chora, 4378 Anwara, Chittagong	M.S.S	38 Years	Director	Ex director	Chittagong Fibre Board Ltd.
					SAAD MUSA Fabrics Ltd. (Weaving Division)
					SAAD MUSA Fabrics Ltd. (Dyeing Division)
					Rokeya Spining Mills Ltd.
					Emdad Etima Spinning Mills Ltd.
					Mahamud Sajid Cotton Mills Ltd.
					Sultana Habiba Fabrics Mills Ltd.
					Saima Samira Textiles Mills Ltd.
					SAAD MUSA Fabrics Ltd. (Garments Division)
					M A Rahaman Dyeing Industry Ltd.
					SAAD MUSA Hometex & Clothing Ltd.
					Hasni Vanaspati Manufacturing Co. Ltd.
					Ahmadi Oil Mills Ltd.
					Al-Mustafa Vegetable Oil Industry
					SAAD MUSA Housing Complex
					Desh Computers
					SAAD MUSA City Centre
					MARSS Automobile
					Crescent Industries Ltd.
					SAAD MUSA Properties Ltd.
Shade Developers Ltd.					
Crescent Park Neighbor Hood					
SAAD MUSA Fishing Project					
S M Avenue Motors					

Name, Father's Name, Age & Personal Address	Educational Qualification	Experience (Year)	Positions/Posts		Holding in other Venture (As per information provided by the Bank)
			Past	Present	
Name: Mr. Mushfiqur Rahman (representing M/S Contech Construction Ltd.) Father's Name: Engr. Md. Moklesur Rahman Age: 29 Years Personal Address: House # 78, Road # 02, Banani, Dhaka-1213	Graduation	9 Years	Director	Ex-Director	M/S Contech Construction Ltd.
Name: Mr. Ayaz Waris Khan Warisi Father's Name: Shafique Ahmed Khan Age: 61 Years Personal Address: Nayabazar, P.O: Saidpur, P.S: Saidpur, District: Nilphamari	Graduation	20 Years	Sponsor Shareholder	Sponsor Shareholder	Arabian Services Company
					Greenland Builders Ltd.
					Greenland Medical Center Ltd.
					Greenland Polytechnic Institute
					Greenland Technical Institute
					Greenland Training Center Ltd.
					Greenland Overseas Tourism Ltd.
Name: Mr. Mohammad Abdul Hye Father's Name: Al-Haj Abdul Malek Age: 66 Years Personal Address: House # 7, Diamond-1, Platinum Apartment, Road # 72, Gulshan-2, Dhaka	Graduation	36 Years	Sponsor Shareholder	Sponsor Shareholder	Baira Life Insurance Co.Ltd.
					Greenland Builders Ltd.
					Greenland Medical Center Ltd.
					Baira Life Insurance Co.Ltd.
					Greenland Overseas Tourism Ltd.
					Greenland Training Center Ltd.
					Greenland Technical Institute
					Greenland Polytechnic Institute
					Greenland Rubber Estate
Greenland Trading & Contracting					
Greenland Overseas					

**(l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc:**

The following directors are not the sponsors of the Bank and control of the issuer was acquired within 5 years immediately preceding the date of filling of Prospectus is given below:

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Mr. Mohammad Nawaz, Director	1,64,00,000	04-03-2015	Investment	Cash
Mst. Nasima Begum, Nominated Director Nominated by: Thermax Textile Mills Ltd.	2,00,00,000	27-06-2016	Investment	Cash
Mr. Sk. Shyedujjaman, Nominated Director Nominated by: Moonstar ceramic industries Ltd.	48,76,000	27-06-2018	Investment	Cash
Dr. Syed Hafizur Rahman Independent Director	N/A	N/A	N/A	N/A
Mr. Md. Sajidur Rahman Independent Director	N/A	N/A	N/A	N/A
Mr. Md. Altaf Hossain Independent Director	N/A	N/A	N/A	N/A
Mr. Talukder Abdul Khaleque Independent Director	N/A	N/A	N/A	N/A

**(m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed:**

South Bangla Agriculture & Commerce Bank Ltd. was incorporated on February 20, 2013. The Company is doing business for the last Eight years. Therefore, the sponsors or directors are highly experienced to carry out this line of business as per Banking Companies Act, 1991 (as amended 2018).

**(n) Interest of the key management persons:**

There is no other interest with the key management persons except remuneration/salary received by them.

**(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors as on 30 September 2020 (9 Months) are following:

Sl	Name of Directors	position	Pecuniary Facilities		Non Pecuniary Facilities
			Meeting Attendance Fees	TA/DA	
1.	Mr. S. M. Amzad Hossain	Chairman	72,000.00	-	-
2.	Mr. Talukder Abdul Khaleque	Vice-Chairman & Independent Director	96,000.00	-	-
3.	Begum Sufia Amjad	Director	72,000.00	-	-
4.	Mr. Abu Zafar Mohammod Shofiuddin	Director	96,000.00	-	-
5.	Mr. Abdul Kadir Molla	Director	72,000.00	-	-
6.	Engr. Md. Moklesur Rahman	Director	104,000.00	-	-
7.	Al-Haj Mizanur Rahman	Director	96,000.00	-	-

Sl	Name of Directors	position	Pecuniary Facilities		Non Pecuniary Facilities
			Meeting Attendance Fees	TA/DA	
8.	Mr. Hafizur Rahman Babu	Director	56,000.00	-	-
9.	Mrs. Tahmina Afroz	Director	32,000.00	-	-
10.	Mr. Anwar Hussain	Director	120,000.00	-	-
11.	Captain M. Moazzam Hossain	Director	88,000.00	-	-
12.	Mr. Sk. Shyedujjaman Nominated by : Moonstar Ceramic Industries Ltd.	Director	112,000.00	71798	-
13.	Mr. Sakhawat Hussain Nominated by : Haji Shakhawat Anwara Eye Hospital Ltd.	Director	104,000.00		-
14.	Mr. Mohammad Nawaz	Director	112,000.00		-
15.	Mr. Mohammed Ayub	Director	80,000.00	30686	-
16.	Mst. Nasima Begum Nominated by : Thermax Textile Mills Ltd.	Director	56,000.00		-
17.	Dr. Syed Hafizur Rahman	Independent Director	120,000.00	55600	-
18.	Mr. Md. Sajidur Rahman	Independent Director	88,000.00	-	-
19.	Mr. Md. Altaf Hossain	Independent Director	-	-	-
20.	Tariqul Islam Chowdhury*	Managing Director & CEO	-	-	-

\* Only non-executive director receives fees and remuneration.

**(p) Number of shares held and percentage of share holding (pre issue):**

Sl.	Name of Directors	Position	Number of Shares Held	Pre-IPO%
1.	Mr. S. M. Amzad Hossain	Chairman	22,000,000	3.21%
2.	Mr. Talukdar Abdul Khaleque*	Independent Director & Vice Chairman	N/A	N/A
3.	Captain Mohammed Moazzam Hossain	Director	34,145,600	4.99%
4.	Mr. Abdul Kadir Molla	Director	33,482,273	4.89%
5.	Mr. Abu Zafar Mohammad Shofiuddin	Director	33,482,273	4.89%
6.	Al-haj Mizanur Rahman	Director	24,200,000	3.53%
7.	Engineer Mohammad Moklesur Rahman	Director	33,482,273	4.89%
8.	Begum Sufia Amjad	Director	22,990,000	3.56%
9.	Mr. Hafizur Rahman Babu	Director	25,111,704	3.67%
10.	Mr. Anwar Hussain	Director	15,785,284	2.31%
11.	Mrs. Tahmina Afroz	Director	33,482,273	4.89%
12.	Mst. Nasima Begum (Nominated by Tharmex Textile Mills Ltd.)	Director	33,482,273	4.89%
13.	Mr. Sk. Shyedujjaman (Nominated by Moonstar Ceramic Ind. Ltd.)	Director	34,231,585	4.99%
14.	Mr. Mohammad Nawaz	Director	20,495,351	2.99%
15.	Mr. Mohammed Ayub	Director	27,988,873	4.09%
16.	Mr. Sakhawat Hussain (Nominated by Haji Shakhawat Anwara Eye Hospital Ltd.)	Director	33,482,273	4.89%
17.	Dr. Syed Hafizur Rahman	Independent Director	N/A	N/A

Sl.	Name of Directors	Position	Number of Shares Held	Pre-IPO%
18.	Mr. Md. Sajidur Rahman	Independent Director	N/A	N/A
19.	Mr. Md. Altaf Hossain**	Independent Director	N/A	N/A
20.	Mr. Mosleh Uddin Ahmed ***	Managing Director & CEO	N/A	N/A

\* Mr. Talukdar Abdul Khaleque who is an Independent Director of the Bank is also a Sponsor of the SBAC Bank Ltd.

\*\* Mr. Md. Altaf Hossain was appointed as an Independent Director in the 110<sup>th</sup> meeting of the Board of Directors. But Bangladesh Securities and Exchange Commission rejected the proposal of appointment of Mr. Md. Altaf Hossain as Independent director on 12 May 2021. Subsequently the Board of SBAC appointed Professor Mohammad Moqbul Hossain Bhuiyan as Independent Director in the 121<sup>st</sup> meeting of the Board of Directors held on 25<sup>th</sup> May 2021 and applied BSEC for approval on 27<sup>th</sup> May 2021.

\*\*\* Mr. Tariqul Islam Chowdhury resigned from the post of Managing Director and CEO on 01 April 2021 & his notice period was ended 30 April 2021 and Mr. Mosleh Uddin Ahmed was appointed as Managing Director & CEO on 01 May 2021.

**(q) Change in board of directors during last three years:**

Sl.	Name of Directors	Date of Joining	Date of Retirement	Present Status as on 23 Dec 2020
1.	Mr. S. M. Amzad Hossain	20-02-2013	10 <sup>th</sup> AGM	Chairman
2.	Mr. Talukder Abdul Khaleque	20-02-2013	02-08-2023	Vice-Chairman & Independent Director
3.	Begum Sufia Amjad	20-02-2013	10 <sup>th</sup> AGM	Director
4.	Mr. Abu Zafar Mohammad Shofiuddin	20-02-2013	10 <sup>th</sup> AGM	Director
5.	Mr. Abdul Kadir Molla	20-02-2013	10 <sup>th</sup> AGM	Director
6.	Engr. Md. Moklesur Rahman	20-02-2013	10 <sup>th</sup> AGM	Director
7.	Al-Haj Mizanur Rahman	20-02-2013	8 <sup>th</sup> AGM	Director
8.	Mr. Hafizur Rahman Babu	20-02-2013	8 <sup>th</sup> AGM	Director
9.	Mrs. Tahmina Afroz	20-02-2013	9 <sup>th</sup> AGM	Director
10.	Ms. Kamrun Nahar	16-04-2014	03-08-2020	Ex-Director
11.	Mr. Anwar Hussain	20-02-2013	8 <sup>th</sup> AGM	Director
12.	Captain M. Moazzam Hossain	20-02-2013	8 <sup>th</sup> AGM	Director
13.	Mr. Sakhawat Hussain Nominated by: Haji Shakhawat Anwara Eye Hospital Ltd.	20-02-2013	8 <sup>th</sup> AGM	Director
14.	Mr. Sk. Shyedujaman	03-12-2015	9 <sup>th</sup> AGM	Director
15.	Mr. Mohammad Nawaz	03-12-2015	9 <sup>th</sup> AGM	Director
16.	Mr. Mohammad Ayub	03-12-2015	9 <sup>th</sup> AGM	Director
17.	Dr. Syed Hafizur Rahman	27-06-2016	25-08-2022	Independent Director
18.	Mr. Md. Sajidur Rahman	10-02-2019	05-05-2022	Independent Director
19.	Mst. Nasima Begum Nominated by : Thermax Textile Mills Ltd.	27-06-2016	9 <sup>th</sup> AGM	Director
20.	Md. Altaf Hossain	30-11-2020	12-05-2021	Independent Director
21.	Mr. Md. Amzad Hossain Nominated by : Rupsha Fish & Allied Industries Ltd.	20-02-2013	26-08-2019	Ex-Director
22.	Mr. Maksudur Rahman	20-02-2013	10-05-2018	Approval Pending
23.	Mr. Muhammad Mohsin	20-02-2013	15-11-2018	Ex-Director

**(r) Director's engagement with similar business:**

None of the directors engaged with similar business.

## SECTION (IX)

### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### Certain Relationships and Related Transactions

(a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest namely:-

Based on our scrutiny of the financial statements and other relevant records of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') which have been prepared by management of the Bank and produced to us for our review, and on the basis of representation from management, we certify that the Bank has entered into the following transactions during the last five years with person who falls into certain category as listed below:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Amount in BDT

Name of Borrower	Relationship	Representing director	Nature of Transactions	30 September 2020		31 December 2019		31 December 2018		31 December 2017		31 December 2016		31 December 2015	
				Net Transaction (Amount in crore taka)	Closing Balance (Amount in crore taka)	Net Transaction	Closing Balance								
HAZI SHAKHAWAT ANWARA EYE HOSPITAL	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	Director	GEN CASH CREDIT- HYPO	4,156,121	116,748,507	9,900,000	110,829,272	10,248,693	106,379,905	8,771,014	102,844,915	276,851,000	13,225,243	10,174,229	103,261,158
KHULNA BUILDERS LTD.	S.M. Amzad Hossain & Begum Sufia Amzad	Chairman/Director	S.O.D (GEN)	23,436,999	214,017,307	34,520,000	218,800,196	20,000,000	222,295,497	30,117,000	211,908,241	4,500,000	160,048,345	-	-
RADIANT DREDGING LIMITED	Mr. M. Moazzam Hossain	Director	LEASE FINANCE	11,021,335	13,899,482	15,950,480	23,314,653	17,049,607	35,152,208	18,400,000	46,817,835	4,600,000	58,879,354	-	-
			S.O.D (GEN)	4,205,228	354,658	14,056,530	3,105,851	30,965,972	3,125,153	4,180,000	3,090,269	622,000	2,932,864	-	-
M R TRADING CO.	Md. Mizanur Rahman	Director	S.O.D (GEN)	107,210,910	100,327,372	330,895,000	47,232,237	71,043,740	101,197,525	-	-	-	-	-	-
ANWAR HUSSAIN	Mr. Anwar Hussain	Director	HOUSE BUILDING LOAN	1,409,154	8,268,848	2,198,034	8,984,784	2,010,250	7,545,445	2,193,000	8,494,827	8,867	7,166,120	-	-
MOHAMMAD IMRAN	Mr. Mohammad Imran	Director	HOUSE BUILDING LOAN	1,580,012	8,248,215	2,208,385	8,970,217	2,010,250	7,544,302	2,193,000	8,494,259	25,000	7,166,113	-	-

MODERN DIAGNOSTIC CENTRE LTD.	Anwar Hossain Khan	Director	GEN CASH CREDIT- HYPO	6,042,405	161,642,309	1,800,000	153,264,098	-	-	-	-	-	-	-	-
M M FISHERIES	Mrs. Kamrunnahar	Director	S.O.D (GEN)	1,506,612	42,138,954	2,228,000	45,602,932	5,618,000	41,623,783	70,667,037	41,202,585	5,000,000	41,098,522	-	-
Mother Trade Center	Mrs. Tahmina Afroz	Director	Cash Credit	-	-	-	-	115,396,452	-	10,147,338	102,942,506	207,648,000	1,753,420	14,683,000	103,322,248
Saima Samira Textile Mills Ltd.	Mr. Mohammad Mohsin	Director	Cash Credit	-	-	-	-	163,790,000	-	169,000,000	103,012,468	125,175,410	102,711,180	-	-

Dhaka  
11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**(b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus:**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in SECTION (IX) (a); Certain Relationship and Related Transactions.

**(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan and present outstanding of such loan:**

There are no such loans taken or given from or to any director or any person connected with the director of the company except the transaction mentioned in SECTION (IX) (a); Certain Relationship and Related Transactions.

## **SECTION X**

<b>EXECUTIVE COMPENSATION</b>
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## Executive Compensation

(a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

(As per Audited Accounts)

Sl.	Name	Designation	Remuneration/salaries (Tk.) for the period ended 30 sep 2020	Remuneration/salaries (Tk.) for the year ended 31 Dec 2019
01	Mr. Tariqul Islam Chowdhury*	MD & CEO (Head Office)	5,230,839.00	3,789,041.00
02	Mr. Mohammed Salim Chowdhury	DMD (Head Office)	4,196,100.00	5,415,871.00
03	Mr. Md. Mamunur Rashid Molla	DMD (Head of Agrabad Branch)	4,196,100.00	5,415,871.00
04	Mr. Shafiuddin Ahmed	DMD & CAMLCO (Head Office)	4,011,700.00	4,830,600.00
05	Mr. Md. Altaf Hossain Bhuyian	DMD (Head of Banani Branch)	4,309,700.00	5,442,570.00

\* Mr. Tariqul Islam Chowdhury promoted to Managing Director from Deputy Managing Director in 01 April 2020.

(b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

(As per Audited Accounts)

Particulars	Nature of Payment	Amount (Tk.) for the period ended 30 sep 20 (9 months)	Amount (in Taka) for the year ended 31 Dec, 19
Director	Board Meeting Fees & Allowance	1,576,000.00	2,232,000.00
	TA/DA	158,084.00	443,698.00
Officers	Salary, Bonus & other Allowances	882,371,982.00	1,111,827,997.00
<b>Total</b>		<b>884,106,066.00</b>	<b>1,114,503,695.00</b>

(c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:

None of the shareholder directors have received any benefits other than meeting attendance fees, TA & DA and dividend as approved and declared by the Board of Directors and AGM from time to time.

d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM:

The board of directors of South Bangla Agriculture & Commerce Bank Ltd. is entitled BDT 8,000.00 as board meeting fee for attending each board meeting as per BRPD Circular Letter #11, dated October 04, 2015 and also approved by the board of directors on 10 October 2015 However, Managing Director is salaried employees of the bank is not entitled to get board meeting attendance fees as per banking act, 1991.

(e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the Bank and any of directors or officers regarding any future compensation to be made to them.

**(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:**

The Company has no plan to substantially increase remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

**(g) Any other benefit or facility provided to the above persons during the last accounting year:**

No other benefit or facility provided to the Directors and Officers except those/which are disclosed above.

## SECTION XI

<b>OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES</b>
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### **Options Granted to Directors, Officers and Employees**

South Bangla Agriculture & Commerce Bank Ltd. did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

## **SECTION XII**

<p><b>TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM</b></p>
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## TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received:

According to the information provided by the Bank, the directors and subscriber to the memorandum have not received any benefit except, dividend, meeting attendance fees and TA & DA as per directive of Bangladesh Bank:

SL	Name	Nature of Transaction	Amount in (BDT)					
			30 Sep-2020	31 Dec-2019	31 Dec-2018	31 Dec-2017	31 Dec-2016	31 Dec-2015
1.	Mr. S. M. Amzad Hossain	TA/DA						
		Board, EC, AC & RMC Meetings	9	14	13	14	14	15
		Dividend (Bonus)	-	2200000	2000000	2700000	3000000	1200000
		Meeting Attendance Fees	72000	112000	104000	112000	112000	87000
2.	Mr. Talukder Abdul Khaleque	TA/DA						
		Board, EC, AC & RMC Meetings	12	16	17	14	13	15
		Dividend (Bonus)	-	-	-	-	150000	120000
		Meeting Attendance Fees	96000	128000	136000	112000	104000	87000
3.	Begum Sufia Amjad	TA/DA						
		Board, EC, AC & RMC Meetings	9	13	9	8	12	12
		Dividend (Bonus)	-	2090000	1900000	2565000	2850000	1140000
		Meeting Attendance Fees	72000	104000	72000	64000	96000	66000
4.	Mr. Abu Zafar Mohammad Shofiuddin	TA/DA						
		Board, EC, AC & RMC Meetings	12	14	16	22	19	20
		Dividend (Bonus)	-	3043843	2767130	3291300	3180000	1200000
		Meeting Attendance Fees	96000	112000	128000	176000	152000	121000
5.	Mr. Abdul Kadir Molla	TA/DA						
		Board, EC, AC & RMC Meetings	9	15	14	32	26	23
		Dividend (Bonus)	-	3043843	2767130	3291300	3180000	2400000
		Meeting Attendance Fees	72000	120000	112000	256000	208000	133000
6.	Engr. Md. Moklesur Rahman	TA/DA						
		Board, EC, AC & RMC Meetings	13	12	25	31	25	14
		Dividend (Bonus)	-	3043843	2767130	3291300	3180000	1200000
		Meeting Attendance Fees	104000	96000	200000	248000	200000	85000
7.	Al-Haj Mizanur Rahman	TA/DA						
		Board, EC, AC & RMC Meetings	12	20	22	8	-	-
		Dividend (Bonus)	-	2200000	2000000	2700000	3000000	1200000

SL	Name	Nature of Transaction	Amount in (BDT)					
			30 Sep-2020	31 Dec-2019	31 Dec-2018	31 Dec-2017	31 Dec-2016	31 Dec-2015
		Meeting Attendance Fees	96000	160000	176000	64000	-	-
8.	Mr. Hafizur Rahman Babu	TA/DA						
		Board, EC, AC & RMC Meetings	7	22	17	20	22	17
		Dividend (Bonus)	-	2282882	2075347	2468475	2385000	900000
		Meeting Attendance Fees	56000	176000	136000	160000	176000	100000
9.	Mrs. Tahmina Afroz	TA/DA						
		Board, EC, AC & RMC Meetings	4	7	6	8	11	10
		Dividend (Bonus)	-	3043843	2767130	3291300	3180000	1200000
		Meeting Attendance Fees	32000	56000	48000	64000	88000	59000
10.	Mr. Anwar Hussain	TA/DA						
		Board, EC, AC & RMC Meetings	15	19	15	18	18	25
		Dividend (Bonus)	-	380480	345891	411413	397500	150000
		Meeting Attendance Fees	120000	152000	120000	144000	144000	149000
11.	Captain M. Moazzam Hossain	TA/DA						
		Board, EC, AC & RMC Meetings	11	26	18	18	22	-
		Dividend (Bonus)	-	3104145	2821950	3356505	3243000	1620000
		Meeting Attendance Fees	88000	208000	144000	144000	176000	-
12.	Mr. Sk. Shyedujjaman Nominated by : Moonstar Ceramic Industries Ltd.	TA/DA	71798	204699	264998	83699		
		Board, EC, AC & RMC Meetings	14	21	26	32	26	-
		Dividend (Bonus)	-	249700	227000	270000	300000	120000
		Meeting Attendance Fees	112000	168000	208000	256000	208000	-
13.	Mr. Sakhawat Hussain Nominated by : Haji Shakhawat Anwara Eye Hospital Ltd.	TA/DA						
		Board, EC, AC & RMC Meetings	13	14	16	10	22	23
		Dividend (Bonus)	-	3043843	2767130	3291300	3180000	1200000
		Meeting Attendance Fees	104000	112000	128000	80000	176000	133000
14.	Mr. Mohammad Nawaz	TA/DA						
		Board, EC, AC & RMC Meetings	14	18	22	16	14	-
		Dividend (Bonus)	-	2678581	2269046	2698866	2607600	984000
		Meeting Attendance Fees	112000	144000	176000	128000	112000	-
15.	Mr. Mohammed Ayub	TA/DA	30686	98099	126926	44391	81300	
		Board, EC, AC & RMC Meetings	10	13	16	7	10	-
		Dividend (Bonus)	-	2544443	2313130	2751300	795000	300000
		Meeting Attendance Fees	80000	104000	128000	56000	80000	-
16.	Mst. Nasima Begum Nominated by : Thermax Textile Mills Ltd.	TA/DA						
		Board, EC, AC & RMC Meetings	7	-	-	5	6	-
		Dividend (Bonus)	-	3043843	2767130	3291300	3180000	-

SL	Name	Nature of Transaction	Amount in (BDT)					
			30 Sep-2020	31 Dec-2019	31 Dec-2018	31 Dec-2017	31 Dec-2016	31 Dec-2015
17.	Dr. Syed Hafizur Rahman	Meeting Attendance Fees	56000	-	-	40000	48000	-
		TA/DA	55600	140900	104595	191999		
		Board, EC, AC & RMC Meetings	15	15	16	14	6	-
		Dividend (Bonus)						
		Meeting Attendance Fees	120000	120000	128000	112000	48000	-
18.	Mr. Md. Sajidur Rahman	TA/DA						
		Board, EC, AC & RMC Meetings	11	3	-	-	-	-
		Dividend (Bonus)						
		Meeting Attendance Fees	88000	24000	-	-	-	-
19	Mr. Maksudur Rahman	TA/DA						
		Board, EC, AC & RMC Meetings	-	-	5	17	16	23
		Dividend (Bonus)	-	2602485	2365896	2814061	2718900	1026000
		Meeting Attendance Fees	-	-	40000	136000	128000	133000
20	Mr. Md. Amzad Hossain	TA/DA						
		Board, EC, AC & RMC Meetings	-	7	20	18	21	23
		Dividend (Bonus)	-	-	-	-	225000	390000
		Meeting Attendance Fees		56000	160000	144000	168000	133000
21	Mr. Khan Habibur Rahman	TA/DA						
		Board, EC, AC & RMC Meetings	-	-	-	-	9	11
		Dividend (Bonus)	-	-	-	-	-	120000
		Meeting Attendance Fees					72000	67000
22	Mr. Md. Mizanur Rahman	TA/DA						
		Board, EC, AC & RMC Meetings	-	-	-	8	21	13
		Dividend (Bonus)	-	319603	290548	345587	333900	126000
		Meeting Attendance Fees				64000	168000	80000
23	Mr. Muhammad Mohsin	TA/DA						
		Board, EC, AC & RMC Meetings	-	-	6	22	22	12
		Dividend (Bonus)	-	-	-	1974780	1908000	720000
		Meeting Attendance Fees	-	-	48000	176000	176000	75000
24	Ms. Kamrun Nahar	TA/DA						
		Board, EC, AC & RMC Meetings	11	10	05	29	25	12
		Dividend (Bonus)	-	969729	691782	822825	795000	300000
		Meeting Attendance Fees	88000	80000	40000	232000	200000	69000

SL	Name	Nature of Transaction	Amount in (BDT)					
			30 Sep-2020	31 Dec-2019	31 Dec-2018	31 Dec-2017	31 Dec-2016	31 Dec-2015
25	Mr. Mohammed Ilias	TA/DA	-	-	-	-	-	-
		Board, EC, AC & RMC Meetings	-	-	-	-	-	3
		Dividend (Bonus)	-	249700	227000	270000	2385000	900000
		Meeting Attendance Fees	-	-	-	-	-	18000
26	Late. Sanawar Bano	TA/DA	-	-	-	-	-	-
		Board, EC, AC & RMC Meetings	-	-	-	-	-	10
		Dividend (Bonus)	-	-	498083	592434	572400	216000
		Meeting Attendance Fees	-	-	-	-	-	56000
27	Mr. Mrinal Kanti Debnath	TA/DA	-	-	-	-	-	-
		Board, EC, AC & RMC Meetings	-	-	-	-	-	8
		Dividend (Bonus)	-	-	-	-	-	360000
		Meeting Attendance Fees	-	-	-	-	-	40000
28	Md. Altaf Hossain	TA/DA	-	-	-	-	-	-
		Board, EC, AC & RMC Meetings	-	-	-	-	-	-
		Dividend (Bonus)	-	-	-	-	-	-
		Meeting Attendance Fees	-	-	-	-	-	-

**(b) If any assets were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them:**

Directors and subscribers to the memorandum have not transferred any asset to the Company in the last five years. Besides, in the last five years the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum.

## SECTION XIII

### OWNERSHIP OF THE COMPANY'S SECURITIES

### Ownership of the company's securities

(a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form:

SL	Name of the Shareholders	Position	Address	BO IDs	Number of Share held	Pre IPO Percentage of Shareholding
1.	Mr. S.M. Amzad Hossain	Chairman	51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	1204030072734908	22,000,000	3.21%
2.	Begum Sufia Amjad	Director	51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	1204490072754945	22,990,000	3.36%
3.	Miss Tajori	Sponsor Shareholder	51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)	1204030072768429	3,564,100	0.52%
4.	Abu Zafar Mohammad Shofiuddin	Director	9/10 Iqbal Road, Block-A, Mohammadpur, Dhaka-1207	1201900032019031	33,482,273	4.89%
5.	Mr. Abdul Kadir Molla	Director	Poronto Bela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi	1201530072442723	33,482,273	4.89%
6.	Engr. Md. Moklesur Rahman	Director	House # 78, Road # 2, Banani, Dhaka-1213	1203780001629184	33,482,273	4.89%
7.	Al-Haj Mizanur Rahman	Director	Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212	1201530072571783	24,200,000	3.53%
8.	Captain M. Moazzam Hossain	Director	House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206	1202880072395580	34,145,600	4.99%
9.	Mr. Motiur Rahman	Sponsor Shareholder	House # 125, Road # Deshbondhu CittoRonjon, TB Clinic, P.S: Kotwali, P.O+District: Jashore-7400	1201910004133529	796,494	0.12%
10.	Mr. Md. Eathashamul Haque	Sponsor Shareholder	Village: Benapole Bazar, P.O: Benapole, Police Station: Benapole Port, District: Jessore	1202400072742882	1,674,113	0.24%
11.	Ms. Kamrun Nahar	Sponsor Shareholder	House# 125, Road# Deshbondhu Citoronjon, TB Clinic, P.S: Kotwali, P.O+District: Jashore-7400	1201910063758151	10,667,022	1.56%
12.	Dr. Mysha Khabir	Sponsor Shareholder	House # 125, Road # Deshbondhu Citto Ronjon, TB Clinic, P.S: Kotwali, P.O+District: Jashore-7400	1201910072373678	4,400,000	0.64%
13.	Mr. Iqbal Haider Chowdhury	Sponsor Shareholder	Flat # 604, Eastern Heaven, 9 Segun Bagicha, Shahbag, Dhaka-1000	1205720072551042	8,387,308	1.23%
14.	Mr. Mohammed Nazrul Islam	Sponsor Shareholder	Holding # 354/9/X-4, Cordial Homes, Road # Dilu Road, Dhaka-1000	1202610000177173	1674113	0.24%
15.	Mr. A. K. M. Mizanur Rahman, FCA	Sponsor Shareholder	House # 55, Road # 28, Gulshan-1, Dhaka-1212	1201570072427898	1,674,113	0.24%
16.	Padma Lamitube Ltd	Sponsor Shareholder	32/1 Dilu Road, New Eskaton, Dhaka	1203490004332141	3,348,227	0.49%

SL	Name of the Shareholders	Position	Address	BO IDs	Number of Share held	Pre IPO Percentage of Shareholding
17.	Mr. Mozaharul Haque Shahid	Sponsor Shareholder	Village: Benapole Bazar, P.O: Benapole, Police Station: Benapole Port, District: Jessore	1202400072689531	6,696,454	0.98%
18.	Mr. Md. Emdadul Haque	Sponsor Shareholder	Village: Benapole Bazar, P.O: Benapole, Police Station: Benapole Port, District: Jessore	1202400073020031	1,674,113	0.24%
19.	Mr. Kafil Uddin Bhuiyan	Sponsor Shareholder	Village: Fatehpur, P.O: Fatehpur, P.S.: Feni, District: Feni	1203510001647941	2,092,641	0.31%
20.	Mr. Hafizur Rahman Babu	Director	"Joytun Raita" House # 20, Road # 123, Gulsahn 01, Dhaka-1212	1202800000036944	25,111,704	3.67%
21.	Mr. Shahab Uddin Khan	Sponsor Shareholder	House # 17, Flat # 301/A, Road # 55, Gulshan-2, Dhaka-1212	1202090005777481	1,674,113	0.24%
22.	Abdul Gaffar & Co (pvt) Ltd	Sponsor Shareholder	69 Begum Bazar, Dhaka-1100	1202120068938541	14,348,760	2.10%
23.	Ms. Sadnam Sadiana	Sponsor Shareholder	Village: Khajura, P.O: Lockpur-9241, P.S: Fakirhat, District: Bagerhat	1603700072483588	1,373,350	0.20%
24.	Ms. Halima Khatun	Sponsor Shareholder	Flat # 1/B, House # 35/A, Road # 4, Dhanmandi R/A, Dhaka	1205720072747933	2,200,000	0.32%
25.	Mr. Anwar Hussain	Director	8 SCC Road, Babu Bazar, Kotowali, Dhaka	1202120000156206	15,785,284	2.31%
26.	Mr. Mohammad Imran	Sponsor Shareholder	8 SCC Road, Babu Bazar, Kotowali, Dhaka	1202120017055343	3,348,227	0.49%
27.	Mrs. Tahmina Afroz	Director	House # 17, Road # 8, Dhanmondi, Dhaka-1205	1204090061961943	33,482,273	4.89%
28.	Mrs. Shamima Hossain	Sponsor Shareholder	House # 145. Road # 10, Sonadanga R/A, Khulna	1205720072662867	5,022,340	0.73%
29.	Hazi Sakhawat Anwara Eye Hospital ltd	Director	24, Palash Nagar, Mirpur- 11, Dhaka	1204090016104352	33,482,273	4.89%
30.	Moonstar Ceramic Industries Ltd	Director	House # 75, Road # 03, Sonadanga R/A, KDA New Market, Sonadanga, Khulna	1204490072770636	34231585	4.99%
31.	Mr. Sk. Shyed-uj-Jaman	Sponsor Shareholder	House # 75, Road # 03, Sonadanga R/A, KDA New Market, Sonadanga, Khulna	1204290061479121	2,746,700	0.40%
32.	Mr. Maksudur Rahman	Sponsor Shareholder	108, Panchlaish R/A, PO: Chowkbazar Panchlaish, Chittagong - 4203	1201820067081780	24,882,442	3.63%
33.	Mr. Md. Mizanur Rahman	Sponsor Shareholder	108, Panchlaish R/A, PO: Chowkbazar, Panchlaish, Chittagong - 4203	1201820072383469	3,515,638	0.51%
34.	Mrs. Shamsun Nahar Rahman	Sponsor	108, Panchlaish R/A, PO: Chowkbazar, Panchlaish, Chittagong -	1201820072384439	3,348,227	0.49%

SL	Name of the Shareholders	Position	Address	BO IDs	Number of Share held	Pre IPO Percentage of Shareholding
		Shareholder	4203			
35.	Mr. Mohammed Ilias	Sponsor Shareholder	183, Anderkillah, Sadar, Kotowali, Chittagong.	1201820072384894	2,746,700	0.40%
36.	Mr. Mohammed Ayub	Director	Darus Salam, 34/A Panchlaish R/A, Chawkbazar, Panchlaish, Chittagong	1203680062208110	27,988,873	4.09%
37.	Mr. Ayaz Waris Khan Warisi	Sponsor Shareholder	Nayabazar, P.O: Saidpur, P.S: Saidpur, District: Nilphamari	1605170072934624	1,674,113	0.24%
38.	Mr. Mohammad Abdul Hye	Sponsor Shareholder	House # 7, Diamond-1, Platinum Apartment, Road # 72, Gulshan-2, Dhaka	1202090014300341	1,674,113	0.24%
39.	M/S Contech Construction Ltd.	Sponsor Shareholder	House # 78, Road # 02, Banani, Dhaka-1213	1203780053854991	33,482,273	4.89%
40.	Mr. Mohammad Nawaz	Director	2, Rankin Street, Wari, Dhaka	1202600061561486	20,495,351	2.99%
41.	Tharmex Textile Mills Ltd.	Director	Paronta Bela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi	1201530072446432	33,482,273	4.89%
42.	Mr. Md. Toyamur Islam Rasel	Shareholder	Vill: Katakhal, Post: Lockpur, P.S: Fakirhat, Dist: Bagerhat	1204030072769101	1,373,350	0.20%
43.	Agrovita Ltd.	Shareholder	House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206.	1202880072395896	11,055,467	1.61%
44.	Shouthern Foods Ltd.	Shareholder	51, Khan-A-Sabur Road, Khulna-9100.	1204490067478251	34,203,975	4.99%
45.	Mr. Md. Mahin	Shareholder	Beverly Park, House # 4B, Flat # B4, Road # 50, Gulshan-2, Dhaka.	1202580072410658	1,895,223	0.28%
46.	Mr. Mohammed Belal	Shareholder	House No- 94, Flat No-2/W, Road No-6/C, DOHS Banani, Dhaka Cantonment, Dhaka.	1203680072579549	2,746,700	0.40%
47.	Mr. Tabassum Arifin Rahman	Shareholder	Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212.	1201530072580090	1,373,350	0.20%
48.	Mr. Eshmam Arifin Rahman	Shareholder	Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212.	1201530072572274	1,356,850	0.20%
49.	Ms. Mahia Binte Mizan	Shareholder	Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212.	1201530072571767	1,356,850	0.20%
50.	Techno Electricals Ltd.	Shareholder	9/10 Iqbal Road, Mohammadpur, Dhaka-1207	1201900009896836	32,724,183	4.78%
51.	Mr. ABM Ruhul Amin Howlader	Shareholder	House No. PHN-111 (beside Palli Bhaban), Barobpasha, Post: Shahebgonj 8280, Bakergonj Pourashava, Bakergonj, Barishal.	1205720072522318	3,300,000	0.48%
52.	Mr. Md. Yakub	Shareholder	2, Rankin Street, Wari, Dhaka.	1202600061561202	2,008,936	0.29%
53.	Mr. Mohammed Hasan	Shareholder	2, Rankin Street, Wari, Dhaka.	1203370072671629	2,008,936	0.29%
54.	Ms. Sufia Begum	Shareholder	2, Rankin Street, Wari, Dhaka.	1202600072619324	8,969,047	1.31%



SL	Name of the Shareholders	Position	Address	BO IDs	Number of Share held	Pre IPO Percentage of Shareholding
55.	Mr. Abdullah Jamil Matin	Shareholder	House 73, Road 25, Gulshan, Dhaka 1212.	1203680068999888	3,744,900	0.55%
56.	SBAC Bank Suspense Account for Fractional Share	Shareholder	Head Office, BSC Tower, 2 &3 Rajuk Avenue, Motijheel, Dhaka-1000.	1201530072744244	21	0.00%

(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
		Pre-IPO	Other Organization	Position
<b>Mr. S. M. Amzad Hossain</b>  <b>Address:</b> 51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100) <b>Age:</b> 63 years  <b>Experience:</b> 33 years <b>BO ID NO.:</b> 1204030072734908 <b>TIN No.:</b> 170328999297	22,000,000	3.21%	Lockpur Fish Processing Co. Ltd.	Managing Director
			Khulna Printing & Packaging Ltd.	Chairman
			Bagerhat Seafood Ind. Ltd.	Managing Director
			Shampa Ice & Cold Storage Ltd.	Managing Director
			Western Inn International Ltd.	Managing Director
			Metro Bricks Ltd.	Managing Director
			Moon Star Jute Mills Ltd.	Managing Director
			Khulna Builders Ltd.	Managing Director
			Bangladesh Poly Printing Int'l Ltd.	Managing Director
			Rupsha Fish & Allied Industries Ltd.	Managing Director
			Ideal Polymer Export Ltd.	Managing Director
			Eastern Polymer Ltd.	Managing Director
			Moon Star Fish Ltd.	Managing Director
Ocean Trade International	Managing Director			
<b>Mr. Talukder Abdul Khaleque</b> <b>Address:</b> 33, Munsii Para, 3rd Lane, Khulna <b>Age:</b> 68yrs  <b>Experience:</b> 43 years <b>BO ID NO.:</b> N/A <b>TIN No.:</b> 794426984670	N/A	N/A	M/S Nahar Trading	Proprietor

Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
		Pre-IPO	Other Organization	Position
<b>Mrs. Begum Sufia Amjad</b> <b>Address:</b> 51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100) <b>Age:</b> 54 years <b>Experience:</b> 28 years <b>BO ID NO.:</b> 1204490072754945 <b>TIN No.:</b> 347676913647	22,990,000	3.36%	Lockpur Fish Processing Co. Ltd.	Director
			Khulna Printing & Packaging Ltd.	Managing Director
			Bagerhat Seafood Ind. Ltd.	Director
			Shampa Ice & Cold Storage Ltd.	Director
			Western Inn International Ltd.	Director
			Metro Bricks Ltd.	Director
			Moon Star Jute Mills Ltd.	Director
			Khulna Builders Ltd.	Director
			Rupsha Fish & Allied Industries Ltd.	Director
			Moon Star Fish Ltd.	Director
<b>Mr. Abu Zafar Mohammad Shofiuddin</b> <b>Address:</b> 9/10 Iqbal Road, Block-A, Mohammadpur, Dhaka-1207 <b>Age:</b> 51 years  <b>Experience:</b> 23 years <b>BO ID NO.:</b> 1201900032019031 <b>TIN No.:</b> 297027176348	33,482,273	4.89%	SQ Wire & Cable Co. Ltd	Chairman
			SQ Trading & Engineering	Partner
			SQ Light Ltd.	Chairman
			SQ Wood Preservatives	Managing Partner
			SQ Energy Ltd.	Managing Partner
			SQ Power Solutions	Managing Partner
			SQ Properties Ltd.	Chairman
			SRN Power	Managing Partner
			Stemz Health Care (BD) Ltd.	Chairman
			Power-Add	Managing Partner
			Techno Electricals Ltd.	Chairman
			TSCO Power Ltd.	Managing Director
			TS Transformers Ltd	Managing Director
			Building Dreams Ltd.	Managing Director
			BMIT Solutions Ltd.	Chairman
SQ Electricals Ltd.	Managing Director			
SQ Distribution Ltd.	Chairman			

Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
			Other Organization	Position
<b>Mr. Abdul Kadir Molla</b> <b>Address:</b> PorontoBela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi  <b>Age:</b> 59 years <b>Experience:</b> 23 years <b>BO ID NO.:</b> 1201530072442723 <b>TIN No.:</b> 768576355003	33,482,273	4.89%	Thermax Textile Mills Ltd.	Chairman & Managing Director
			Thermax Knit Yarn Ltd.	Chairman & Managing Director
			Thermax Spinning Ltd.	Chairman & Managing Director
			Thermax Blended Yarn Ltd.	Chairman & Managing Director
			Indigo Spinning Ltd.	Chairman & Managing Director
			ThermaxMelange Spinning Mills Ltd.	Chairman & Managing Director
			Thermax Yarn Dyeing Ltd.	Chairman & Managing Director
			Adury Knit Composite Ltd.	Chairman & Managing Director
			Adury Apparels Ltd.	Chairman & Managing Director
			Thermax Woven Dyeing Ltd.	Chairman & Managing Director
			Thermax Yarn Dyed Fabrics Ltd.	Chairman & Managing Director
			Sister Denim Composite Ltd.	Chairman & Managing Director
			Thermax Check Fabrics Ltd.	Chairman & Managing Director
			ThermaxColour Cotton Ltd.	Chairman & Managing Director
			Sister Garments Ltd.	Chairman & Managing Director
			Sultana Filling Point Ltd.	Chairman & Managing Director
			Adury Fashion & Print Ltd.	Chairman & Managing Director
			Adury Ring Denim Spun Ltd.	Chairman & Managing Director
KadirMolla Medical College & Hospital Ltd.	Chairman & Managing Director			
Sister Denim Composite (Unit-2) Ltd.	Chairman & Managing Director			
Sultana Enterprise	Proprietor			

Name of Director, Address, Age & Experience	No. of Share	% Pre-IPO	Position held in Other Organization	
			Other Organization	Position
<b>Engr. Md. Moklesur Rahman</b> <b>Address:</b> House # 78, Road # 2, Banani, Dhaka-1213 <b>Age:</b> 60 years  <b>Experience:</b> 19 years <b>BO ID NO.:</b> 1203780001629184 <b>TIN No.:</b> 478121991345	33,482,273	4.89%	Contech Construction Ltd.	Managing Director
			Pre Stressed Pole Ltd.	Managing Director
			B&T Cables Ltd.	Managing Director
			B&T Cold Storage Ltd.	Managing Director
			B&T Development Ltd.	Managing Director
			B&T Meter Ltd.	Managing Director
			Tushar Ceramic Ltd.	Chairman
			B&T Transformers Ltd.	Chairman
			Nexus Securities Ltd.	Chairman
<b>Al-Haj Mizanur Rahman</b> <b>Address:</b> Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212 <b>Age:</b> 63 years  <b>Experience:</b> 36 years <b>BO ID NO.:</b> 1201530072571783 <b>TIN No.:</b> 0871053470	24,200,000	3.53%	M R Trading Co.	Chairman & Managing Director
			Moon Bangladesh Ltd.	Chairman & Managing Director
<b>Mrs. Tahmina Afroz</b> <b>Address:</b> House # 17, Road # 8, Dhanmondi, Dhaka-1205 <b>Age:</b> 45 years  <b>Experience:</b> 17 years <b>BO ID NO.:</b> 1204090061961943 <b>TIN No.:</b> 829818770552	33,482,273	4.89%	Anwer Khan Modern Hospital Ltd.	Director
			Haji Shakhawat Anwara Eye Hospital Ltd.	Director
			Modern Diagnostic Centre Ltd.	Director
			Modern Holdings Ltd.	Director

Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
			Other Organization	Position
<b>Mr. Hafizur Rahman Babu</b> <b>Address:</b> Joytun Developers Ltd., Rupayan Golden Age (7th floor), 99, Gulshan Avenue, Dhaka 1212  <b>Age:</b> 58 years <b>Experience:</b> 31 years <b>BO ID NO.:</b> 1202800000036944 <b>TIN No.:</b> 796178706300	25,111,704	3.67%	Joytun Securities International Ltd.	Managing Director
			Joytun Developers Ltd.	Managing Director
			S.B. Agro Fertilizer Industries Ltd.	Managing Director
			Sheikh Cement Mills Ltd.	Managing Director
			Gold Hill Properties Ltd.	Managing Director
			Sheikh Jute Mills Ltd.	Managing Director
			M/S. Sheikh Brothers	Owner
			M/S. Hafizur Rahman Babu	Owner
			Sheikh Shipping Lines Ltd.	Chairman
			Sheikh Agro Food Industries	Owner
			Arising Trade Internation Ltd.	Managing Director
<b>Mr. Anwar Hussain</b> <b>Address:</b> 8 SCC Road, Babu Bazar, Kotowali, Dhaka <b>Age:</b> 38 years  <b>Experience:</b> 21 years <b>BO ID NO.:</b> 1202120000156206 <b>TIN No.:</b> 110363831339	15785284	2.31%	SAFAH CNG Refuelling Station Ltd .	Director
			HAR Industries Ltd.	Managing Director
			Abdul Gaffar & Co. (Pvt.) Ltd.	Managing Director
			Asuka CNG Filling Station Ltd.	Director
			AGI Corporation	Proprietor
			AGI Flex Ltd.	Managing Director
<b>Capt. M. Moazzam Hossain</b> <b>Address:</b> House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206 <b>Age:</b> :59 years  <b>Experience:</b> 27 Years <b>BO ID NO.:</b> 1202880072395580 <b>TIN No.:</b> 248167164207	34,145,600	4.99%	E-Securities Ltd.	Chairman
			Agrovita Ltd.	Chairman
			Admiral Trading Corp.	Proprietor
			Ekushey Homes Ltd.	Chairman
			Masters Ocean Voyage	Proprietor
			Radiant Dredging Ltd.	Chairman
			Canadian Trillinium School	Chairman
			Fareast International University	Trustee

Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
		Pre-IPO	Other Organization	Position
<b>Mr. Sk. Shyed-uj-Jaman</b> , Nominated by Moonstar Ceramic Industries Ltd. <b>Address:</b> House # 75, Road # 03, Sonadanga R/A, KDA New Market, Sonadanga, Khulna <b>Age:</b> 46 years  <b>Experience:</b> 20 Years <b>BO ID NO.:</b> 1204490072770636 <b>TIN No.:</b> 133262616186	3,42,31,585	4.99%	Mashiyat Fish Firm	Proprietor
			South East Union Ceramic Industries Ltd.	Director
			AB Siddique & Co.	Proprietor
<b>Mr. Mohammad Nawaz</b> <b>Address:</b> 2, Rankin Street, Wari, Dhaka <b>Age:</b> 45 years  <b>Experience:</b> 19 years <b>BO ID NO.:</b> <b>TIN No.:</b> 456474362830	20,495,351	2.99%	Famous Printing & Packaging Ltd.	Chairman
			Famous Iberchem Flavours & Fragrances Ltd.	Managing Director
			Famous General Agencies Ltd.	Director
			Macton limited	Managing Director
			F.S. Printing & Packaging Ltd.	Director
			Green Soap & Chemical Co. Ltd.	Director
			Famous Flavours&Fragrances Ltd.	Director
			Eden Multicare Hospital	Director
<b>Mr. Mohammed Ayub</b> <b>Address:</b> Darus Salam, 34/A Panchlaish R/A, Chawkbazar, Panchlaish, Chittagong <b>Age:</b> 58 years  <b>Experience:</b> 20 Years <b>BO ID NO.:</b> 1203680062208110 <b>TIN No.:</b> 526873494510	27,988,873	4.09%	Ayub & Co. Ltd.	Managing Director
			Pioneer Enterprise	Proprietor
			United Enterprise	Proprietor
			Pacific Enterprise	Managing Partner

Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
		Pre-IPO	Other Organization	Position
<p>Mst. Nasima Begum, Nominated by Thermax Textile Mills Ltd.  <b>Address:</b> Paronta Bela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi  <b>Age:</b> 51 Years</p> <p><b>Experience:</b> 23 Years  <b>BO ID NO.:</b> 1201530072446432  <b>TIN No.:</b> 822628466343</p>	33,482,273	4.89%	Thermax Textile Mills Ltd.	Director
			Thermax Knit Yarn Ltd.	Director
			Thermax Spinning Ltd.	Director
			Thermax Blended Yarn Ltd.	Director
			Indigo Spinning Ltd.	Director
			ThermaxMelanage Spinning Mills Ltd.	Director
			Thermax Yarn Dyeing Ltd.	Director
			Adury Knit Composite Ltd.	Director
			Adury Apparels Ltd.	Director
			Thermax Woven Dyeing Ltd.	Director
			Thermax Yarn Dyed Fabrics Ltd.	Director
			Sister Denim Composite Ltd.	Director
			Thermax Check Fabrics Ltd.	Director
			ThermaxColour Cotton Ltd.	Director
			Sister Garments Ltd.	Director
			Sultana Filling Point Ltd.	Director
			Adury Fashion & Print Ltd.	Director
Adury Ring Denim Spun Ltd.	Director			
Kadir Molla Medical College & Hospital Ltd.	Director			
<p>Mr. Sakhawat Hussain, Nominated by Hazi Shakhawat Anwara Eye Hospital Ltd.  <b>Address:</b> 24, Palash Nagar, Mirpur-11, Dhaka.  <b>Age:</b> 77 years</p> <p><b>Experience:</b> 53 years  <b>BO ID NO.:</b> 1204090016104352  <b>TIN No.:</b> 140488841798</p>	33,482,273	4.89%	N/A	N/A

Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
		Pre-IPO	Other Organization	Position
<b>Dr. Syed Hafizur Rahman</b> <b>Address:</b> Flat # D-1, 38, Elephant Road, Dhaka <b>Age:</b> 60 years  <b>Experience:</b> 28 years <b>BO ID NO.:</b> N/A <b>TIN No.:</b> 2871021017	N/A	N/A	Bagerhat Poultry & Fisheries	Proprietor
			Coal Mark	Proprietor
			Aliums Trade Associate	Proprietor
<b>Mr. Md. Sajidur Rahman</b> <b>Address:</b> CEG-3, Road # 104, Gulshan-2, Dhaka-1212 <b>Age:</b> 51 years  <b>Experience:</b> 26 years <b>BO ID NO.:</b> N/A <b>TIN No.:</b> 844878461987	N/A	N/A	Indo-Bangla Trading	Chairman
			US-DK Green Energy (BD) Ltd.	Director
			Nitex Ltd.	Advisor
			Lenden Ltd.	Director
			JoBike	Chairman
<b>Mr. Md. Altaf Hossain</b> <b>Address:</b> Vill: Darshana, P.S: Damurhuda, Chuadanga <b>Age:</b> 60 years  <b>Experience:</b> 32 years <b>BO ID NO.:</b> N/A <b>TIN No.:</b> 359583859935	N/A	N/A	N/A	N/A

**(c) The average cost of acquisition of equity shares by the directors certified by the auditors.**

This is to certify that the average cost of acquisition of equity shares of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') by Directors of the Bank (excluding nominee directors) are as follows:

**AUDITORS' CERTIFICATE REGARDING AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY THE DIRECTORS OF SOUTH BANGLA AGRICULTURE AND COMMERCE BANK LIMITED**

This is to certify that the average cost of acquisition of equity shares of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') by Directors of the Bank (excluding nominee directors) are as follows:

Sl. No.	Date	Name	Designation	Allotment/transfer	Consideration	Share	Face value of share (Tk.)
1	20/02/2013	Mr. S. M. Amzad Hossain	Chairman	Allotment	Cash	20,000,000	10
	30/06/2016			6% Bonus	Other than cash	1,200,000	10
	18/01/2017			Transfer	Cash	(1,200,000)	10
	12/06/2017			15% Bonus	Other than cash	3,000,000	10
	14/02/2018			Transfer	Cash	(3,000,000)	10
	26/08/2018			13.50% Bonus	Other than cash	2,700,000	10
	26/12/2018			Transfer	Cash	(2,700,000)	10
	18/06/2019			10% Bonus	Other than cash	2,000,000	10
	17/09/2020			10% Bonus	Other than cash	2,200,000	10
	<b>Total:</b>						<b>24,200,000</b>
2	20/02/2013	Begum Sufia Amjad	Director	Allotment	Cash	19,000,000	10
	30/06/2016			6% Bonus	Other than cash	1,140,000	10
	18/01/2017			Transfer	Cash	(1,140,000)	10
	12/06/2017			15% Bonus	Other than cash	2,850,000	10
	14/02/2018			Transfer	Cash	(2,850,000)	10
	26/08/2018			13.50% Bonus	Other than cash	2,565,000	10
	26/12/2018			Transfer	Cash	(2,565,000)	10
	18/06/2019			10% Bonus	Other than cash	1,900,000	10
	17/09/2020			10% Bonus	Other than cash	2,090,000	10
	<b>Total:</b>						<b>22,990,000</b>
3	20/02/2013	Mr. Abu Zafar Mohammad Shofiuddin	Director	Allotment	Cash	20,000,000	10
	30/06/2016			6% Bonus	Other than cash	1,200,000	10

Sl. No.	Date	Name	Designation	Allotment/transfer	Consideration	Share	Face value of share (Tk.)
	12/06/2017			15% Bonus	Other than cash	3,180,000	10
	26/08/2018			13.50% Bonus	Other than cash	3,291,300	10
	18/06/2019			10% Bonus	Other than cash	2,767,130	10
	17/09/2020			10% Bonus	Other than cash	3,043,843	10
	<b>Total:</b>						<b>33,482,273</b>
4	20/02/2013	Mr. Abdul Kadir Molla	Director	Allotment	Cash	40,000,000	10
	27/06/2016			Transfer	Cash	(20,000,000)	10
	30/06/2016			6% Bonus	Other than cash	2,400,000	10
	27/12/2016			Transfer	Cash	(1,200,000)	10
	12/06/2017			15% Bonus	Other than cash	3,180,000	10
	26/08/2018			13.50% Bonus	Other than cash	3,291,300	10
	18/06/2019			10% Bonus	Other than cash	2,767,130	10
	17/09/2020			10% Bonus	Other than cash	3,043,843	10
	<b>Total:</b>						<b>33,482,273</b>
5	20/02/2013	Engr. Md. Moklesur Rahman	Director	Allotment	Cash	20,000,000	10
	30/06/2016			6% Bonus	Other than cash	1,200,000	10
	12/06/2017			15% Bonus	Other than cash	3,180,000	10
	26/08/2018			13.50% Bonus	Other than cash	3,291,300	10
	18/06/2019			10% Bonus	Other than cash	2,767,130	10
	17/09/2020			10% Bonus	Other than cash	3,043,843	10
	<b>Total:</b>						<b>33,482,273</b>
6	20/02/2013	Al-Haj Mizanur Rahman	Director	Allotment	Cash	20,000,000	10
	30/06/2016			6% Bonus	Other than cash	1,200,000	10
	02/04/2017			Transfer	Cash	(1,200,000)	10
	12/06/2017			15% Bonus	Other than cash	3,000,000	10
	04/10/2017			Transfer	Cash	(1,000,000)	10
	04/10/2017			Transfer	Cash	(1,000,000)	10
	04/10/2017			Transfer	Cash	(1,000,000)	10
	26/08/2018			13.50% Bonus	Other than cash	2,700,000	10
	16/01/2019			Transfer	Cash	(2,700,000)	10
	18/06/2019			10% Bonus	Other than cash	1,000,000	10
	18/06/2019			10% Bonus	Other than cash	1,000,000	10
	17/09/2020			10% Bonus	Other than cash	2,200,000	10

Sl. No.	Date	Name	Designation	Allotment/transfer	Consideration	Share	Face value of share (Tk.)	
	<b>Total:</b>						<b>24,200,000</b>	<b>10</b>
7	20/02/2013	Captain M. Moazzam Hossain	Director	Allotment	Cash	27,000,000	10	
	27/06/2016			Transfer	Cash	(7,000,000)	10	
	30/06/2016			6% Bonus	Other than cash	1,620,000	10	
	12/06/2017			15% Bonus	Other than cash	3,243,000	10	
	26/08/2018			13.50% Bonus	Other than cash	3,356,505	10	
	18/06/2019			10% Bonus	Other than cash	2,821,950	10	
	17/09/2020			10% Bonus	Other than cash	3,104,145	10	
	<b>Total:</b>						<b>34,145,600</b>	<b>10</b>
8	20/02/2013	Mr. Hafizur Rahman Babu	Director	Allotment	Cash	15,000,000	10	
	30/06/2016			6% Bonus	Other than cash	900,000	10	
	12/06/2017			15% Bonus	Other than cash	2,385,000	10	
	26/08/2018			13.50% Bonus	Other than cash	2,468,475	10	
	18/06/2019			10% Bonus	Other than cash	2,075,347	10	
	17/09/2020			10% Bonus	Other than cash	2,282,882	10	
	<b>Total:</b>						<b>25,111,704</b>	<b>10</b>
9	20/02/2013	Mr. Anwar Hussain	Director	Allotment	Cash	2,500,000	10	
	30/06/2016			6% Bonus	Other than cash	150,000	10	
	12/06/2017			15% Bonus	Other than cash	397,500	10	
	26/08/2018			13.50% Bonus	Other than cash	411,413	10	
	18/06/2019			10% Bonus	Other than cash	345,891	10	
	17/09/2020			10% Bonus	Other than cash	380,480	10	
	<b>Total:</b>						<b>4,185,284</b>	<b>10</b>
10	20/02/2013	Mrs. Tahmina Afroz	Director	Allotment	Cash	20,000,000	10	
	30/06/2016			6% Bonus	Other than cash	1,200,000	10	
	12/06/2017			15% Bonus	Other than cash	3,180,000	10	
	26/08/2018			13.50% Bonus	Other than cash	3,291,300	10	
	18/06/2019			10% Bonus	Other than cash	2,767,130	10	
	17/09/2020			10% Bonus	Other than cash	3,043,843	10	
	<b>Total:</b>						<b>33,482,273</b>	<b>10</b>
11	20/02/2013	Mr. Mohammad Ayub	Director	Allotment	Cash	5,000,000	10	
	30/06/2016			6% Bonus	Other than cash	300,000	10	
	12/06/2017			15% Bonus	Other than cash	795,000	10	

Sl. No.	Date	Name	Designation	Allotment/transfer	Consideration	Share	Face value of share (Tk.)
	14/09/2017			Transfer	Gift	11,000,000	10
	14/09/2017			Transfer	Gift	900,000	10
	14/09/2017			Transfer	Gift	2,385,000	10
	26/08/2018			13.50% Bonus	Other than cash	2,751,300	10
	18/06/2019			10% Bonus	Other than cash	2,313,130	10
	17/09/2020			10% Bonus	Other than cash	2,544,443	10
	<b>Total:</b>						<b>27,988,873</b>
12	04/03/2015	Mr. Mohammad Nawaz	Director	Allotment	Cash	16,400,000	10
	30/06/2016			6% Bonus	Other than cash	984,000	10
	12/06/2017			15% Bonus	Other than cash	2,607,600	10
	26/08/2018			13.50% Bonus	Other than cash	2,698,866	10
	18/06/2019			10% Bonus	Other than cash	2,269,046	10
	07/06/2020			Transfer	Transmitted	1,826,305	10
	17/09/2020			10% Bonus	Other than cash	2,678,581	10
<b>Total:</b>						<b>29,464,398</b>	<b>10</b>

The Bank is yet to complete the formalities with RJSC regarding raising of paid up capital for the sixth allotment.

Dhaka, 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
Chartered Accountants

(d) A detail description of capital built up in respect of shareholding (Name wise) of the issuer's sponsors or directors. In this connection, a statement to be included:-

1. Mr. S. M. Amzad Hossain

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	3.21	2.80	Own Sources
30-06-2016 6% Bonus	Other than cash		1200000	10.00	10.00	21200000			
18-01-2017 Transfer	Cash		1200000	10.00	10.00	20000000			
12-06-2017 15% Bonus	Other than cash		3000000	10.00	10.00	23000000			
14-02-2018 Transfer	Cash		3000000	10.00	10.00	20000000			
26-08-2018 13.50% Bonus	Other than cash		2700000	10.00	10.00	22700000			
26-12-2018 Transfer	Cash		2700000	10.00	10.00	20000000			
18-06-2019 10% Bonus	Other than cash		2000000	10.00	10.00	22000000			
17/09/2020 10% Bonus	Other than cash		2200000	10.00	10.00	24200000			
30-11-2020 Transfer	Cash		2200000	10.00	10.00	22000000			

## 2. Begum Sufia Amjad

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	19000000	10.00	10.00	19000000	3.36	2.93	Own Sources
30-06-2016 6% Bonus	Other than cash		1140000	10.00	10.00	20140000			
18-01-2017 Transfer	Cash		1140000	10.00	10.00	19000000			
12-06-2017 15% Bonus	Other than cash		2850000	10.00	10.00	21850000			
14-02-2018 Transfer	Cash		2850000	10.00	10.00	19000000			
26-08-2018 13.50% Bonus	Other than cash		2565000	10.00	10.00	21565000			
26-12-2018 Transfer	Cash		2565000	10.00	10.00	19000000			
18-06-2019 10% Bonus	Other than cash		1900000	10.00	10.00	20900000			
17/09/2020 10% Bonus	Other than cash		2090000	10.00	10.00	22990000			

### 3. Miss Tajori

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.52	0.45	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	1000000			
12-06-2017 15% Bonus	Other than cash		150000	10.00	10.00	1150000			
14-02-2018 Transfer	Cash		150000	10.00	10.00	1000000			
26-08-2018 13.50% Bonus	Other than cash		135000	10.00	10.00	1135000			
18-06-2019 10% Bonus	Other than cash		113500	10.00	10.00	1248500			
18-08-2020 Transfer	Cash		1100000	10.00	10.00	2348500			
17/09/2020 10% Bonus	Other than cash		124850	10.00	10.00	2473350			
30-11-2020 Transfer	Cash		980750	10.00	10.00	3454100			
30-11-2020 Transfer	Cash		110000	10.00	10.00	3564100			

#### 4. Mr. Abu Zafar Mohammad Shofiuddin

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	4.89	4.27	Own Sources
30-06-2016 6% Bonus	Other than cash		1200000	10.00	10.00	21200000			
12-06-2017 15% Bonus	Other than cash		3180000	10.00	10.00	24380000			
26-08-2018 13.50% Bonus	Other than cash		3291300	10.00	10.00	27671300			
18-06-2019 10% Bonus	Other than cash		2767130	10.00	10.00	30438430			
17/09/2020 10% Bonus	Other than cash		3043843	10.00	10.00	33482273			

#### 5. Mr. Abdul Kadir Molla

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	40000000	10.00	10.00	40000000	4.89	4.27	Own Sources
27-06-2016 Transfer	Cash		20000000	10.00	10.00	20000000			
30-06-2016 6% Bonus	Other than cash		2400000	10.00	10.00	22400000			
27-12-2016 Transfer	Cash		1200000	10.00	10.00	21200000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
12-06-2017 15% Bonus	Other than cash		3180000	10.00	10.00	24380000			
26-08-2018 13.50% Bonus	Other than cash		3291300	10.00	10.00	27671300			
18-06-2019 10% Bonus	Other than cash		2767130	10.00	10.00	30438430			
17/09/2020 10% Bonus	Other than cash		3043843	10.00	10.00	33482273			

#### 6. Engr. Md. Moklesur Rahman

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	4.89	4.27	Own Sources
30-06-2016 6% Bonus	Other than cash		1200000	10.00	10.00	21200000			
12-06-2017 15% Bonus	Other than cash		3180000	10.00	10.00	24380000			
26-08-2018 13.50% Bonus	Other than cash		3291300	10.00	10.00	27671300			
18-06-2019 10% Bonus	Other than cash		2767130	10.00	10.00	30438430			
17/09/2020 10% Bonus	Other than cash		3043843	10.00	10.00	33482273			

7. Mr. Md. Amzad Hossain

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	6500000	10.00	10.00	6500000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		4000000	10.00	10.00	2890000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	1890000			
30-06-2016 6% Bonus	Other than cash		390000	10.00	10.00	6890000			
18-01-2017 Transfer	Cash		390000	10.00	10.00	1500000			
12-06-2017 15% Bonus	Other than cash		225000	10.00	10.00	1725000			
13-07-2017 Transfer	Cash		1725000			0			

### 8. Al-Haj Mizanur Rahman

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	3.53	3.08	Own Sources
30-06-2016 6% Bonus	Other than cash		1200000	10.00	10.00	21200000			
02-04-2017 Transfer	Cash		1200000	10.00	10.00	20000000			
12-06-2017 15% Bonus	Other than cash		3000000	10.00	10.00	23000000			
04-10-2017 Transfer	Cash		1000000	10.00	10.00	22000000			
04-10-2017 Transfer	Cash		1000000	10.00	10.00	21000000			
04-10-2017 Transfer	Cash		1000000	10.00	10.00	20000000			
26-08-2018 13.50% Bonus	Other than cash		2700000	10.00	10.00	22700000			
16-01-2019 Transfer	Cash		2700000	10.00	10.00	20000000			
18-06-2019 10% Bonus	Other than cash		1000000	10.00	10.00	22000000			
18-06-2019 10% Bonus	Other than cash		1000000	10.00	10.00	22000000			
17/09/2020 10% Bonus	Other than cash		2200000	10.00	10.00	24200000			

### 9. Captain M. Moazzam Hossain

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	27000000	10.00	10.00	27000000	4.99	4.35	Own Sources
27-06-2016 Transfer	Cash		7000000	10.00	10.00	20000000			
30-06-2016 6% Bonus	Other than cash		1620000	10.00	10.00	21620000			
12-06-2017 15% Bonus	Other than cash		3243000	10.00	10.00	24863000			
26-08-2018 13.50% Bonus	Other than cash		3356505	10.00	10.00	28219505			
18-06-2019 10% Bonus	Other than cash		2821950	10.00	10.00	31041455			
17/09/2020 10% Bonus	Other than cash		3104145	10.00	10.00	34145600			

### 10. Mr. Motiur Rahman

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	4000000	10.00	10.00	4000000	0.12	0.10	Own Sources
30-06-2016 6% Bonus	Other than cash		240000	10.00	10.00	4240000			
12-06-2017 15% Bonus	Other than cash		636000	10.00	10.00	4876000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2018 Transfer	Cash		4876000	10.00	10.00	0			
26-08-2018 13.50% Bonus	Other than cash		658260	10.00	10.00	658260			
18-06-2019 10% Bonus	Other than cash		65826	10.00	10.00	724086			
17/09/2020 10% Bonus	Other than cash		72408	10.00	10.00	796494			

#### 11. Ms. Kamrun Nahar

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	5000000	10.00	10.00	5000000			
30-06-2016 6% Bonus	Other than cash		300000	10.00	10.00	5300000			
12-06-2017 15% Bonus	Other than cash		795000	10.00	10.00	6095000			
26-08-2018 13.50% Bonus	Other than cash		822825	10.00	10.00	6917825	1.56	1.36	Own Sources
18-06-2019 10% Bonus	Other than cash		691782	10.00	10.00	7609607			
27-01-2020 Transfer	Cash		2087686	10.00	10.00	9697293			
17/09/2020 10% Bonus	Other than cash		969729	10.00	10.00	10667022			

**12. Ms. Mysha Khabir**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	4000000	10.00	10.00	4000000	0.64	0.56	Own Sources
30-06-2016 6% Bonus	Other than cash		240000	10.00	10.00	4240000			
12-06-2017 15% Bonus	Other than cash		636000	10.00	10.00	4876000			
26-08-2018 13.50% Bonus	Other than cash		658260	10.00	10.00	5534260			
18-06-2019 10% Bonus	Other than cash		553426	10.00	10.00	6087686			
27-01-2020 Transfer	Cash		2087686	10.00	10.00	4000000			
17/09/2020 10% Bonus	Other than cash		400000	10.00	10.00	4400000			

**13. Mrs. Sanawar Bano**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	Nil	Nil	Own Sources
04-03-2015 Transfer	Cash		16400000	10.00	10.00	3600000			
30-06-2016 6% Bonus	Other than cash		216000	10.00	10.00	3816000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
12-06-2017 15% Bonus	Other than cash		572400	10.00	10.00	4388400			
26-08-2018 13.50% Bonus	Other than cash		592434	10.00	10.00	4980834			
18-06-2019 10% Bonus	Other than cash		498083	10.00	10.00	5478917			
07-06-2020 Transmission	Cash		1826305	10.00	10.00	3652612			
07-06-2020 Transmission	Cash		1826306	10.00	10.00	1826306			
07-06-2020 Transmission	Cash		1826306	10.00	10.00	0			

#### 14. Mr. Iqbal Haider Chowdhury

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	5010000	10.00	10.00	5010000	1.23	1.07	Own Sources
30-06-2016 6% Bonus	Other than cash		300600	10.00	10.00	5310600			
12-06-2017 15% Bonus	Other than cash		796590	10.00	10.00	6107190			
26-08-2018 13.50% Bonus	Other than cash		824470	10.00	10.00	6931660			
18-06-2019 10% Bonus	Other than cash		693166	10.00	10.00	7624826			
17/09/2020 10% Bonus	Other than cash		762482	10.00	10.00	8387308			

**15. Mr. Mohammed Nazrul Islam**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.24	0.21	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash		159000	10.00	10.00	1219000			
26-08-2018 13.50% Bonus	Other than cash		164565	10.00	10.00	1383565			
18-06-2019 10% Bonus	Other than cash		138356	10.00	10.00	1521921			
17/09/2020 10% Bonus	Other than cash		152192	10.00	10.00	1674113			

**16. Mr. A.K.M. Mizanur Rahman, FCA**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.24	0.21	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash		159000	10.00	10.00	1219000			
26-08-2018 13.50% Bonus	Other than cash		164565	10.00	10.00	1383565			
18-06-2019 10% Bonus	Other than cash		138356	10.00	10.00	1521921			
17/09/2020 10% Bonus	Other than cash		152192	10.00	10.00	1674113			

**17. Padma Lamitube Ltd.**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	0.49	0.43	Own Sources
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	2120000			
12-06-2017 15% Bonus	Other than cash		318000	10.00	10.00	2438000			
26-08-2018 13.50% Bonus	Other than cash		329130	10.00	10.00	2767130			
18-06-2019 10% Bonus	Other than cash		276713	10.00	10.00	3043843			
17/09/2020 10% Bonus	Other than cash		304384	10.00	10.00	3348227			

**18. Mr. Mozaharul Haque Shahid**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	3000000	10.00	10.00	3000000	0.98	0.85	Own Sources
30-06-2016 6% Bonus	Other than cash		180000	10.00	10.00	3180000			
12-06-2017 15% Bonus	Other than cash		477000	10.00	10.00	3657000			
26-08-2018 13.50% Bonus	Other than cash		493695	10.00	10.00	4150695			
30-04-2019	Cash		1383565	10.00	10.00	5534260			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
Transfer									
18-06-2019 10% Bonus	Other than cash		553426	10.00	10.00	6087686			
17/09/2020 10% Bonus	Other than cash		608768	10.00	10.00	6696454			

### 19. Mr. Md. Emdadul Haque

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash		1000000	10.00	10.00	1000000			
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash	Ordinary Shares	159000	10.00	10.00	1219000	0.24	0.21	Own Sources
26-08-2018 13.50% Bonus	Other than cash		164565	10.00	10.00	1383565			
18-06-2019 10% Bonus	Other than cash		138356	10.00	10.00	1521921			
17/09/2020 10% Bonus	Other than cash		152192	10.00	10.00	1674113			

**20. Mr. Md. Eathashamul Haque**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.24	0.21	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash		159000	10.00	10.00	1219000			
26-08-2018 13.50% Bonus	Other than cash		164565	10.00	10.00	1383565			
18-06-2019 10% Bonus	Other than cash		138356	10.00	10.00	1521921			
17/09/2020 10% Bonus	Other than cash		152192	10.00	10.00	1674113			

**21. Mr. Kafil Uddin Bhuiyan**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1250000	10.00	10.00	1250000	0.31	0.27	Own Sources
30-06-2016 6% Bonus	Other than cash		75000	10.00	10.00	1325000			
12-06-2017 15% Bonus	Other than cash		198750	10.00	10.00	1523750			
26-08-2018 13.50% Bonus	Other than cash		205706	10.00	10.00	1729456			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
18-06-2019 10% Bonus	Other than cash		172945	10.00	10.00	1902401			
17/09/2020 10% Bonus	Other than cash		190240	10.00	10.00	2092641			

## 22. Mr. Hafizur Rahman Babu

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	15000000	10.00	10.00	15000000	3.67	3.20	Own Sources
30-06-2016 6% Bonus	Other than cash		900000	10.00	10.00	15900000			
12-06-2017 15% Bonus	Other than cash		2385000	10.00	10.00	18285000			
26-08-2018 13.50% Bonus	Other than cash		2468475	10.00	10.00	20753475			
18-06-2019 10% Bonus	Other than cash		2075347	10.00	10.00	22828822			
17/09/2020 10% Bonus	Other than cash		2282882	10.00	10.00	25111704			

### 23. Mr. Shahab Uddin Khan

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.24	0.21	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash		159000	10.00	10.00	1219000			
26-08-2018 13.50% Bonus	Other than cash		164565	10.00	10.00	1383565			
18-06-2019 10% Bonus	Other than cash		138356	10.00	10.00	1521921			
17/09/2020 10% Bonus	Other than cash		152192	10.00	10.00	1674113			

### 24. Abdul Gaffar & Co. (Pvt.) Ltd.

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	15500000	10.00	10.00	15500000	2.10	1.83	Own Sources
30-06-2016 6% Bonus	Other than cash		930000	10.00	10.00	16430000			
12-06-2017 15% Bonus	Other than cash		2464500	10.00	10.00	18894500			
26-08-2018 13.50% Bonus	Other than cash		2550757	10.00	10.00	21445257			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
18-06-2019 10% Bonus	Other than cash		2144525	10.00	10.00	23589782			
17/09/2020 10% Bonus	Other than cash		2358978	10.00	10.00	25948760			
30-11-2020 Transfer	Cash		11600000	10.00	10.00	14348760			

#### 25. Mr. Anwar Hussain

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2500000	10.00	10.00	2500000	2.31	2.01	Own Sources
30-06-2016 6% Bonus	Other than cash		150000	10.00	10.00	2650000			
12-06-2017 15% Bonus	Other than cash		397500	10.00	10.00	3047500			
26-08-2018 13.50% Bonus	Other than cash		411413	10.00	10.00	3458913			
18-06-2019 10% Bonus	Other than cash		345891	10.00	10.00	3804804			
17/09/2020 10% Bonus	Other than cash		380480	10.00	10.00	4185284			
30-11-2020	Cash		11600000	10.00	10.00	15785284			

**26. Mr. Mohammad Imran**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	0.49	0.43	Own Sources
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	2120000			
12-06-2017 15% Bonus	Other than cash		318000	10.00	10.00	2438000			
26-08-2018 13.50% Bonus	Other than cash		329130	10.00	10.00	2767130			
18-06-2019 10% Bonus	Other than cash		276713	10.00	10.00	3043843			
17/09/2020 10% Bonus	Other than cash		304384	10.00	10.00	3348227			

**27. Mrs. Tahmina Afroz**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	4.89	4.27	Own Sources
30-06-2016 6% Bonus	Other than cash		1200000	10.00	10.00	21200000			
12-06-2017 15% Bonus	Other than cash		3180000	10.00	10.00	24380000			
26-08-2018	Other than cash		3291300	10.00	10.00	27671300			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
13.50% Bonus									
18-06-2019 10% Bonus	Other than cash		2767130	10.00	10.00	30438430			
17/09/2020 10% Bonus	Other than cash		3043843	10.00	10.00	33482273			

### 28. Mrs. Shamima Hossain

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash		3000000	10.00	10.00	3000000			
30-06-2016 6% Bonus	Other than cash		180000	10.00	10.00	3180000			
12-06-2017 15% Bonus	Other than cash	Ordinary Shares	477000	10.00	10.00	3657000	0.73	0.64	Own Sources
26-08-2018 13.50% Bonus	Other than cash		493695	10.00	10.00	4150695			
18-06-2019 10% Bonus	Other than cash		415069	10.00	10.00	4565764			
17/09/2020 10% Bonus	Other than cash		456576	10.00	10.00	5022340			

**29. Haji Shakhawat Anwara Eye Hospital**  
**Nominated Director: Mr. Sakhawat Hussain**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	4.89	4.27	Own Sources
30-06-2016 6% Bonus	Other than cash		1200000	10.00	10.00	21200000			
12-06-2017 15% Bonus	Other than cash		3180000	10.00	10.00	24380000			
26-08-2018 13.50% Bonus	Other than cash		3291300	10.00	10.00	27671300			
18-06-2019 10% Bonus	Other than cash		2767130	10.00	10.00	30438430			
17/09/2020 10% Bonus	Other than cash		3043843	10.00	10.00	33482273			

**30. Mr. Sk. Shyedujjaman**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	0.40	0.35	Own Sources
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	2120000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	2000000			
12-06-2017	Other than cash		300000	10.00	10.00	2300000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
15% Bonus									
14-02-2018 Transfer	Cash		300000	10.00	10.00	2000000			
26-08-2018 13.50% Bonus	Other than cash		270000	10.00	10.00	2270000			
18-06-2019 10% Bonus	Other than cash		227000	10.00	10.00	2497000			
17/09/2020 10% Bonus	Other than cash		249700	10.00	10.00	2746700			

### 31. Mrs. Farjana Farhad

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash		1000000	10.00	10.00	1000000			
27-06-2016 6% Bonus	Other than cash	Ordinary Shares	60000	10.00	10.00	1060000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		1000000	10.00	10.00	60000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	0			

### 32. Talukder Abdul Khaleque

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 (Allotment)	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	Nil	Nil	Own Sources
27-06-2016 (Transfer)	Cash		1000000	10.00	10.00	1000000			
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	1120000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	1000000			
25-07-2017 15% Bonus	Other than cash		150000	10.00	10.00	1150000			
25-07-2017 Transfer	Cash		1150000	10.00	10.00	0			

### 33. Mr. Mrinal Kanti Debnath

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	6000000	10.00	10.00	6000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		4000000	10.00	10.00	2360000			
27-06-2016 Transfer	Cash		2000000	10.00	10.00	360000			
30-06-2016 6% Bonus	Other than cash		360000	10.00	10.00	6360000			
18-01-2017 Transfer	Cash		360000	10.00	10.00	0			

**34. Mr. Sujit Kumar Saha**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	3000000	10.00	10.00	3000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		2000000	10.00	10.00	1180000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	180000			
30-06-2016 6% Bonus	Other than cash		180000	10.00	10.00	3180000			
18-01-2017 Transfer	Cash		180000	10.00	10.00	0			

**35. Khan Habibur Rahman**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		1000000	10.00	10.00	1120000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	120000			
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	2120000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	0			

**36. Ms. Sadnam Sadiana**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.20	0.18	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	1000000			
12-06-2017 15% Bonus	Other than cash		150000	10.00	10.00	1150000			
14-02-2018 Transfer	Cash		150000	10.00	10.00	1000000			
26-08-2018 13.50% Bonus	Other than cash		135000	10.00	10.00	1135000			
18-06-2019 10% Bonus	Cash		113500	10.00	10.00	1248500			
17/09/2020 10% Bonus	Cash		124850	10.00	10.00	1373350			

**37. Mr. S.M. Alamgir**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	4000000	10.00	10.00	4000000	Nil	Nil	Own Sources
30-06-2016 6% Bonus	Other than cash		240000	10.00	10.00	4240000			
12-06-2017	Other than cash		636000	10.00	10.00	4876000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
15% Bonus									
14-02-2018 Transfer	Cash		4876000	10.00	10.00	0			

### 38. Mr. S.M. Jahangir

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	Nil	Nil	Own Sources
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	2120000			
12-06-2017 15% Bonus	Other than cash		318000	10.00	10.00	2438000			
14-02-2018 Transfer	Cash		2438000	10.00	10.00	0			

### 39. Ms. Halima Khatun

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.32	0.28	Own Sources
27-06-2016 Transfer	Cash		1000000	10.00	10.00	60000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	0			
30-11-2020 Transfer	Cash		2200000	10.00	10.00	2200000			

#### 40. Mr. Amit Ganguly Pallab

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		1000000	10.00	10.00	1120000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	120000			
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	2120000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	0			

**41. Mr. Goutam Kumar Kundu**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	5000000	10.00	10.00	5000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		2000000	10.00	10.00	3300000			
27-06-2016 Transfer	Cash		3000000	10.00	10.00	300000			
30-06-2016 6% Bonus	Other than cash		300000	10.00	10.00	5300000			
18-01-2017 Transfer	Cash		300000	10.00	10.00	0			

**42. Mr. Md. Rezaul Haque**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	Nil	Nil	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash		159000	10.00	10.00	1219000			
26-08-2018 13.50%	Other than cash		164565	10.00	10.00	1383565			
30-04-2019 Transfer	Cash		1383565	10.00	10.00	0			

**43. Mr. Imtiaz Ahmed**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		1000000	10.00	10.00	60000			
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	0			

**44. Mr. Maksudur Rahman**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	17100000	10.00	10.00	17100000	3.63%	3.17%	Own Sources
30-06-2016 6% Bonus	Other than cash		1026000	10.00	10.00	18126000			
12-06-2017 15% Bonus	Other than cash		2718900	10.00	10.00	20844900			
26-08-2018 13.50% Bonus	Other than cash		2814061	10.00	10.00	23658961			
18-06-2019 10% Bonus	Other than cash		2365896	10.00	10.00	26024857			
17/09/2020 10% Bonus	Other than cash		2602485	10.00	10.00	28627342			
23/12/2020 Transfer	Cash		3,744,900	10.00	10.00	24882442			

**45. Mr. Md. Mizanur Rahman**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2100000	10.00	10.00	2100000	0.51%	0.45%	Own Sources
30-06-2016 6% Bonus	Other than cash		126000	10.00	10.00	2226000			
12-06-2017 15% Bonus	Other than cash		333900	10.00	10.00	2559900			
26-08-2018 13.50% Bonus	Other than cash		345587	10.00	10.00	2905487			
18-06-2019 10% Bonus	Other than cash		290548	10.00	10.00	3196035			
17/09/2020 10% Bonus	Other than cash		319603	10.00	10.00	3515638			

**46. Ms. Shamsun Nahar Rahman**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	0.49	0.43	Own Sources
30-06-2016 6% Bonus	Other than cash		120000	10.00	10.00	2120000			
12-06-2017 15% Bonus	Other than cash		318000	10.00	10.00	2438000			
26-08-2018 13.50% Bonus	Other than cash		329130	10.00	10.00	2767130			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
18-06-2019 10% Bonus	Other than cash		276713	10.00	10.00	3043843			
17/09/2020 10% Bonus	Other than cash		304384	10.00	10.00	3348227			

#### 47. Mr. Mohammed Ilias

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	15000000	10.00	10.00	15000000	0.40	0.35	Own Sources
30-06-2016 6% Bonus	Other than cash		900000	10.00	10.00	15900000			
12-06-2017 15% Bonus	Other than cash		2385000	10.00	10.00	18285000			
14-09-2017 Transfer	Other than Cash (Gift)		11000000	10.00	10.00	7285000			
14-09-2017 Transfer	Other than Cash (Gift)		900000	10.00	10.00	6385000			
14-09-2017 Transfer	Other than Cash (Gift)		2385000	10.00	10.00	4000000			
27-12-2017 Transfer	Cash		2000000	10.00	10.00	2000000			
26-08-2018 13.50% Bonus	Other than cash		270000	10.00	10.00	2270000			
18-06-2019 10% Bonus	Other than cash		227000	10.00	10.00	2497000			
17/09/2020 10% Bonus	Other than cash		249700	10.00	10.00	2746700			

**48. Mr. Mohammad Ayub**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	5000000	10.00	10.00	5000000	4.09	3.57	Own Sources
30-06-2016 6% Bonus	Other than cash		300000	10.00	10.00	5300000			
12-06-2017 15% Bonus	Other than cash		795000	10.00	10.00	6095000			
14-09-2017 Transfer	Other than Cash (Gift)		11000000	10.00	10.00	17095000			
14-09-2017 Transfer	Other than Cash (Gift)		900000	10.00	10.00	17995000			
14-09-2017 Transfer	Other than Cash (Gift)		2385000	10.00	10.00	20380000			
26-08-2018 13.50% Bonus	Other than cash		2751300	10.00	10.00	23131300			
18-06-2019 10% Bonus	Other than cash		2313130	10.00	10.00	25444430			
17/09/2020 10% Bonus	Other than cash		2544443	10.00	10.00	27988873			

**49. Mr. Muhammad Mohsin**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	12000000	10.00	10.00	12000000	Nil	Nil	Own Sources
30-06-2016 6% Bonus	Other than cash		720000	10.00	10.00	12720000			
12-06-2017 15% Bonus	Other than cash		1908000	10.00	10.00	14628000			
27-06-2018 Transfer	Cash		14628000	10.00	10.00	0			
26-08-2018 13.50% Bonus	Other than cash		1974780	10.00	10.00	16602780			
09-09-2018 Transfer	Cash		1974780	10.00	10.00	0			

**50. M/S. Contech Construction Ltd.**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	4.89	4.27	Own Sources
30-06-2016 6% Bonus	Other than cash		1200000	10.00	10.00	21200000			
12-06-2017 15% Bonus	Other than cash		3180000	10.00	10.00	24380000			
26-08-2018 13.50% Bonus	Other than cash		3291300	10.00	10.00	27671300			
18-06-2019 10% Bonus	Other than cash		2767130	10.00	10.00	30438430			
17/09/2020 10% Bonus	Other than cash		3043843	10.00	10.00	33482273			

**51. Mr. Ayaz Waris Khan Warisi**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.24	0.21	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash		159000	10.00	10.00	1219000			
26-08-2018 13.50% Bonus	Other than cash		164565	10.00	10.00	1383565			
18-06-2019 10% Bonus	Other than cash		138356	10.00	10.00	1521921			
17/09/2020 10% Bonus	Other than cash		152192	10.00	10.00	1674113			

**52. Mr. Mohammad Abdul Hye**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-02-2013 Allotment	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.24	0.21	Own Sources
30-06-2016 6% Bonus	Other than cash		60000	10.00	10.00	1060000			
12-06-2017 15% Bonus	Other than cash		159000	10.00	10.00	1219000			
26-08-2018 13.50% Bonus	Other than cash		164565	10.00	10.00	1383565			
18-06-2019 10% Bonus	Other than cash		138356	10.00	10.00	1521921			
17/09/2020 10% Bonus	Other than cash		152192	10.00	10.00	1674113			

**53. Mr. Mohammad Nawaz**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
04-03-2015 Allotment	Cash	Ordinary Shares	16400000	10.00	10.00	16400000	2.99	2.61	Own Sources
30-06-2016 6% Bonus	Other than cash		984000	10.00	10.00	17384000			
12-06-2017 15% Bonus	Other than cash		2607600	10.00	10.00	19991600			
26-08-2018 13.50% Bonus	Other than cash		2698866	10.00	10.00	22690466			
18-06-2019 10% Bonus	Other than cash		2269046	10.00	10.00	24959512			
07-06-2020 Transmission	Cash		1826305	10.00	10.00	26785817			
17/09/2020 10% Bonus	Other than cash		2678581	10.00	10.00	29464398			
30-11-2020 Transfer	Cash		8969047	10.00	10.00	20495351			

**54. Thermax Textile Mills Ltd.**

**Nominated Director: Mst. Nasima Begum**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2016 Allotment	Cash	Ordinary Shares	20000000	10.00	10.00	20000000	4.89	4.27	Own Sources
27-12-2016 Allotment	Cash		1200000	10.00	10.00	21200000			
12-06-2017 15% Bonus	Other than cash		3180000	10.00	10.00	24380000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
26-08-2018 13.50% Bonus	Other than cash		3291300	10.00	10.00	27671300			
18-06-2019 10% Bonus	Other than cash		2767130	10.00	10.00	30438430			
17/09/2020 10% Bonus	Other than cash		3043843	10.00	10.00	33482273			

#### 55. Rupsha Fish & Allied Industries Ltd.

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2016 Transfer	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		1000000	10.00	10.00	2000000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	3000000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	4000000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	5000000			
27-06-2016 Transfer	Cash		4000000	10.00	10.00	9000000			
27-06-2016 Transfer	Cash		2000000	10.00	10.00	11000000			
27-06-2016 Transfer	Cash		2000000	10.00	10.00	13000000			
27-06-2016 Transfer	Cash		4000000	10.00	10.00	17000000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2016 Transfer	Cash		1000000	10.00	10.00	18000000			
12-06-2017 15% Bonus	Other than Cash		2700000	10.00	10.00	20700000			
13-07-2017 Transfer	Cash		19700000	10.00	10.00	1000000			
26-08-2018 13.50% Bonus	Other than Cash		135000	10.00	10.00	1135000			
26-12-2018 Transfer	Cash		135000	10.00	10.00	1000000			
18-6-2019 10% Bonus	Other than Cash		100000	10.00	10.00	1100000			
18-08-2020 Transfer	Cash		1100000	10.00	10.00	0			
17/09/2020 10% Bonus	Other than Cash		110000	10.00	10.00	110000			
30-11-2020 Transfer	Cash		110000	10.00	10.00	0			

#### 56. Mr. Md. Toyamur Islam Rasel

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2016 Transfer	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.20	0.18	Own Sources
12-06-2017 15% Bonus	Other than cash		150000	10.00	10.00	1150000			
14-02-2018 Transfer	Cash		150000	10.00	10.00	1000000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
26-08-2018 13.50% Bonus	Other than cash		135000	10.00	10.00	1135000			
18-06-2019 10% Bonus	Other than cash		113500	10.00	10.00	1248500			
17/09/2020 10% Bonus	Other than cash		124850	10.00	10.00	1373350			

#### 57. Agrovita Limited

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2016 Transfer	Cash	Ordinary Shares	7000000	10.00	10.00	7000000	1.61	1.41	Own Sources
12-06-2017 15% Bonus	Other than cash		1050000	10.00	10.00	8050000			
26-08-2018 13.50% Bonus	Other than cash		1086750	10.00	10.00	9136750			
18-06-2019 10% Bonus	Other than cash		913675	10.00	10.00	10050425			
17/09/2020 10% Bonus	Other than cash		1005042	10.00	10.00	11055467			

**58. Mr. Sajid Mohammad Saad**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2016 Transfer	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	Nil	Nil	Own Sources
27-06-2016 Transfer	Cash		1000000	10.00	10.00	3000000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	4000000			
27-06-2016 Transfer	Cash		3000000	10.00	10.00	7000000			
27-06-2016 Transfer	Cash		1000000	10.00	10.00	8000000			
12-06-2017 15% Bonus	Other than cash		1200000	10.00	10.00	9200000			
27-06-2018 Transfer	Cash		9200000	10.00	10.00	0			
26-08-2018 13.50% Bonus	Other than cash		1242000	10.00	10.00	10442000			
09-09-2018 Transfer	Cash		1242000	10.00	10.00	0			

**59. Southern Foods Ltd.**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
18-01-2017 Transfer	Cash	Ordinary Shares	1200000	10.00	10.00	1200000	4.99	4.36	Own Sources
18-01-2017 Transfer	Cash		1140000	10.00	10.00	2340000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	2400000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
18-01-2017 Transfer	Cash		390000	10.00	10.00	2790000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	2910000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	2970000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	3090000			
18-01-2017 Transfer	Cash		360000	10.00	10.00	3450000			
18-01-2017 Transfer	Cash		180000	10.00	10.00	3630000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	3750000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	3810000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	3870000			
18-01-2017 Transfer	Cash		120000	10.00	10.00	3990000			
18-01-2017 Transfer	Cash		300000	10.00	10.00	4290000			
18-01-2017 Transfer	Cash		60000	10.00	10.00	4350000			
12-06-2017 15% Bonus	Other than Cash		652500	10.00	10.00	5002500			
14-02-2018 Transfer	Cash		3000000	10.00	10.00	8002500			
14-02-2018	Cash		2850000	10.00	10.00	10852500			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
Transfer									
14-02-2018	Cash		150000	10.00	10.00	11002500			
14-02-2018	Cash		300000	10.00	10.00	11302500			
14-02-2018	Cash		150000	10.00	10.00	11452500			
14-02-2018	Cash		4876000	10.00	10.00	16328500			
14-02-2018	Cash		2438000	10.00	10.00	18766500			
14-02-2018	Cash		150000	10.00	10.00	18916500			
26-08-2018 13.50% Bonus	Other than cash		2553728	10.00	10.00	21470228			
18-06-2019 10% Bonus	Other than cash		2147022	10.00	10.00	23617250			
18-08-2020 Transfer	Cash		8225000	10.00	10.00	31842250			
17/09/2020 10% Bonus	Other than cash		2361725	10.00	10.00	34203975			

#### 60. Mr. Md. Mahin

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
02-04-2017 Transfer	Cash	Ordinary Shares	1200000	10.00	10.00	1200000	0.28	0.24	Own Sources
12-06-2017	Other than cash		180000	10.00	10.00	1380000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
15% Bonus									
26-08-2018 13.50% Bonus	Other than cash		186300	10.00	10.00	1566300			
18-06-2019 10% Bonus	Other than cash		156630	10.00	10.00	1722930			
17/09/2020 10% Bonus	Other than cash		172293	10.00	10.00	1895223			

#### 61. Moonstar Polymer Export Ltd.

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
16-05-2017 Transfer	Cash	Ordinary Shares	1150000	10.00	10.00	1150000	Nil	Nil	Own Sources
13-07-2017 Transfer	Cash		1725000	10.00	10.00	2850000			
13-07-2017 Transfer	Cash		19700000	10.00	10.00	22575000			
26-08-2018 13.50% Bonus	Other than cash		3047625	10.00	10.00	25622625			
26-12-2018 Transfer	Cash		3047625	10.00	10.00	22575000			
18-06-2019 10% Bonus	Other than cash		2257500	10.00	10.00	24832500			
27-07-2020 Transfer	Cash		8225000	10.00	10.00	16607500			
27-07-2020 Transfer	Cash		16607500	10.00	10.00	0			
17/09/2020	Other than cash		2483250	10.00	10.00	2483250			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
10% Bonus									
30-11-2020 Transfer	Cash		980750	10.00	10.00	1502500			
30-11-2020 Transfer	Cash		1502500	10.00	10.00	0			

#### 62. Mr. Mohammed Belal

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-12-2017 Transfer	Cash	Ordinary Shares	2000000	10.00	10.00	2000000	0.40	0.35	Own Sources
26-08-2018 13.50% Bonus	Other than cash		270000	10.00	10.00	2270000			
18-06-2019 10% Bonus	Other than cash		227000	10.00	10.00	2497000			
17/09/2020 10% Bonus	Other than cash		249700	10.00	10.00	2746700			

#### 63. Mr. Tabassum Arifin Rahman

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
04-10-2017 Transfer	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.20	0.18	Own Sources
26-08-2018 13.50% Bonus	Other than Cash		135000	10.00	10.00	1135000			

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
18-06-2019 10% Bonus	Other than cash		98500	10.00	10.00	1233500			
18-06-2019 10% Bonus	Other than cash		15000	10.00	10.00	1248500			
17/09/2020 10% Bonus	Other than cash		124850	10.00	10.00	1373350			

#### 64. Mr. Eshmam Arifin Rahman

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
04-10-2017 Transfer	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.20	0.17	Own Sources
26-08-2018 13.50% Bonus	Other than cash		135000	10.00	10.00	1135000			
18-06-2019 10% Bonus	Other than cash		98500	10.00	10.00	1233500			
18-06-2019 10% Bonus	Other than cash		15000	10.00	10.00	1248500			
18-06-2019 10% Bonus	Other than cash		15000	10.00	10.00	1233500			
17/09/2020 10% Bonus	Other than cash		123350	10.00	10.00	1356850			

**65. Mahia Binte Mizan**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
04-10-2017 Transfer	Cash	Ordinary Shares	1000000	10.00	10.00	1000000	0.20	0.17	Own Sources
26-08-2018 13.50% Bonus	Other than cash		135000	10.00	10.00	1135000			
18-06-2019 10% Bonus	Other than cash		98500	10.00	10.00	1233500			
18-06-2019 10% Bonus	Other than cash		15000	10.00	10.00	1248500			
18-06-2019 Transfer	Cash		15000	10.00	10.00	1233500			
17/09/2020 10% Bonus	Other than cash		123350	10.00	10.00	1356850			

**66. Techno Electricals Ltd.**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2018 Transfer	Cash	Ordinary Shares	14628000	10.00	10.00	14628000	4.78	4.17	Own Sources
27-06-2018 Transfer	Cash		9200000	10.00	10.00	23828000			
09-09-2018 Transfer	Cash		1974780	10.00	10.00	25802780			
09-09-2018 Transfer	Cash		1242000	10.00	10.00	27044780			
18-06-2019 10% Bonus	Other than Cash		2704478	10.00	10.00	29749258			
17/09/2020 10% Bonus	Other than cash		2974925	10.00	10.00	32724183			

67. Moonstar Ceramic Industries Ltd.  
Nominated Director: Mr. Sk. Shyedujjaman

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
27-06-2018 Transfer	cash	Ordinary Shares	4876000	10.00	10.00	4876000	4.99	4.36	Own Sources
26-12-2018 Transfer	cash		2700000	10.00	10.00	7576000			
26-12-2018 Transfer	cash		2565000	10.00	10.00	10141000			
26-12-2018 Transfer	cash		3047625	10.00	10.00	13188625			
26-12-2018 Transfer	cash		135000	10.00	10.00	13323625			
18-06-2019 10% Bonus	Other than cash		1332362	10.00	10.00	14655987			
27-07-2020 Transfer	cash		16607500	10.00	10.00	31263487			
17/09/2020 10% Bonus	Other than cash		1465598	10.00	10.00	32729085			
30-11-2020 Transfer	cash		1502500	10.00	10.00	34231585			

**68. Mr. ABM Ruhul Amin Howlader**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
16-01-2019 Transfer	Cash	Ordinary Shares	2700000	10.00	10.00	2700000	0.48	0.42	Own Sources
18-06-2019 10% Bonus	Other than Cash		270000	10.00	10.00	2970000			
18-06-2019 Transfer	Cash		15000	10.00	10.00	2985000			
18-06-2019 Transfer	Cash		15000	10.00	10.00	3000000			
17/09/2020 10% Bonus	Other than Cash		300000	10.00	10.00	3300000			

**69. SBAC Bank Suspense Account for Fractional Share**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
18-06-2019 10% Bonus	Other than Cash	Ordinary Shares	10	10.00	10.00	10	0.00	0.00	N/A
17/09/2020 10% Bonus	Other than Cash		11	10.00	10.00	21			

**70. Mr. Md. Yakub**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
07-06-2020 Transmission	Cash	Ordinary Shares	1826306	10.00	10.00	1826306	0.29	0.26	Own Sources
17/09/2020 10% Bonus	Other than Cash		182630	10.00	10.00	2008936			

**71. Mr Mohammed Hasan**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
07-06-2020 Transmission	Cash	Ordinary Shares	1826306	10.00	10.00	1826306	0.29	0.26	Own Sources
17/09/2020 10% Bonus	Other than Cash		182630	10.00	10.00	2008936			

**72. Ms. Sufia Begum**

Date of Allotment	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
30-11-2020 Transfer	Cash	Ordinary Shares	8969047	10.00	10.00	8969047	1.31	1.14	Own Sources

**(e) Detail of shares issued by the company at a price lower than the issue price;**

All the shares are issued by the Company at face value of Tk. 10.00 prior to IPO.

**(f) History of significant (5% or more) changes in ownership of securities from inception.**

There has not been any significant change of ownership (5% or more) at any point of time.

## SECTION-XIV

<b>CORPORATE GOVERNANCE</b>
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## CORPORATE GOVERNANCE

**(a) A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission:**

The Company declares that it has complied with the requirements of the applicable regulations of Corporate Governance Code of Bangladesh Securities and Exchange Commission including constitution of the Board and several committees thereof. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

**(Tariqul Islam Chowdhury)**

Managing Director & CEO

South Bangla Agriculture & Commerce Bank limited

**(b) A compliance report of Corporate Governance requirements certified by competent authority:**

**Annexure-B**  
**[Certificate as per condition No. 1 (5)(xxvii)]**  
**Report to the Shareholders of South Bangla Agriculture & Commerce Bank Limited**  
**on compliance on the Corporate Governance Code**

Dear Sir(s)

We have examined the compliance status to the Corporate Governance Code by South Bangla Agriculture & Commerce Bank Limited as on December 31, 2020. This code relates to the notification No.SEC/CMRRCD/2006-158/207/admin/80 dated June 03, 2018 of Bangladesh Securities and Exchange Commission.

Such Compliance with the Corporate Governance Code is the responsibility of the Management of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the corporate governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required and after due scrutiny and verification thereof:

We report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code issued by the Commission ; It is noted that as on today, total number of Directors of the Company is 20 including the Managing Director and 04 Independent Directors. The name of Mr. Maksudur Rahman exists in form XII (PD) but the Company in its 110<sup>th</sup> Board Meeting held on 30-11-2020 treated his position of Director vacated because neither Bangladesh Bank has approved his re-appointment nor he attended any board meeting of the company since 5<sup>th</sup> AGM.
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code.
- c) Proper records and information have been kept the Company as required by the relevant regulations regarding the compliance of the code;
- d) In our Opinion, Compliance of the Corporate Governance Code of the Company is satisfactory.

Place: Dhaka  
Dated: December 31, 2020

Sd/-  
**Islam & Co. (Chartered Accountants)**  
Md. Din Islam Miah FCA  
Managing Partner

**South Bangla Agriculture & Commerce Bank Limited  
Compliance Report On Corporate Governance**

**Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969):**

**(Report under Condition No. 7.00)**

Condition No.	Title	Compliance Status (Put $\checkmark$ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	<b>Board of Directors</b>			
1(1)	<b>Size of the Board of Directors-</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	$\checkmark$		
1(2)	<b>Independent Directors</b> All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	$\checkmark$		
1(2)(b)	For the purpose of this clause "independent director" means a Director- (i) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;  (ii) who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:  Provided that Spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family member.  (iii) Who has not been an executive of the company in immediately preceding 2 (two) financial years;  (iv) Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;  (v) Who is not a member or TREC (Trading Right	$\checkmark$		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	<p>Entitlement Certificate) holder, director or officer of any stock exchange;</p> <p>(vi) Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;</p> <p>(vii) Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;</p> <p>(viii) Who is not independent director in more than 05 (five) listed companies;</p> <p>(ix) Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and</p> <p>(x) Who has not been convicted for a criminal offence involving moral turpitude?</p>			
1(2)(c)	The independent director(s) shall be appointed by the board and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	<p>The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:</p> <p>Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:</p> <p>Provided further that the independent director shall not be subject to retirement by rotation as per the <math>\text{ᐃKvᐃúvbx AvBb, 1994 (1994 mᐃbi 18bs AvBb)}</math> (Companies Act, 1994).</p> <p><b>Explanation:</b> For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.</p>	✓		
1(3)	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent director shall be a knowledgeable	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;			
1(3)(b)	<p>Independent director shall have following qualifications:</p> <p>(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or</p> <p>(ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or</p> <p><b>Explanation:</b> Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.</p> <p>(iii) Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or</p> <p>(iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or</p> <p>(v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent</p>	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	qualification;			
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not applicable (No Special Case arose)
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	<b>The Directors' Report to Shareholders</b> The Board of the Company shall include the following additional statements or disclosures in the Director's Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	instruments;			
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	✓		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	year and attendance by each director;			
1(5)(xxiii)	<p>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:</p> <p>(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details);</p> <p>(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);</p> <p>(c) Executives; and</p> <p>(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);</p> <p><b>Explanation:</b> For the purpose of this clause, the expression “Executive” means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.</p>	✓		
1(5)(xxiv)	<p>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:</p> <p>(a) A brief resume of the director;</p> <p>(b) Nature of his or her expertise in specific functional areas; and</p> <p>(c) Names of companies in which the person also holds the directorship and the membership of committees of the Board;</p>	✓		
1(5)(xxv)	<p>A Management’s Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company’s position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</p> <p>(a) Accounting policies and estimation for preparation of financial statements;</p> <p>(b) Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;</p> <p>(c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;</p> <p>(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;</p> <p>(e) Briefly explain the financial and economic scenario of the country and the globe;</p> <p>(f) Risks and concerns issues related to the financial</p>	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	statements, explaining such risk and concerns mitigation plan of the company; and (g) Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;			
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	<b>Meetings of the Board of Directors</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	<b>Governance of Board of Directors of Subsidiary Company:</b> Not applicable			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	investments made by the subsidiary company.			
3	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):</b>			
3(1)	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	<b>Requirement to attend Board of Directors' Meetings-</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:  Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	members;			
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	<b>Board of Directors' Committee</b> For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5	<b>Audit Committee</b>			
5(1)	<b>Responsibility to the Board of Directors:</b>			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	<b>Constitution of the Audit Committee :</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 01 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 01 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;  <b>Explanation:</b> The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 03 (three) persons, the Board shall appoint the new Committee member to fill up the	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	vacancy immediately or not later than 01 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 01 (one) independent director	✓		
5(3)	<b>Chairperson of the Audit Committee:</b>			
5(3)(a)	The Board shall select 01 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)	<b>Meeting of the Audit Committee:</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	<b>Role of Audit Committee</b> The Audit Committee Shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		
5(6)	<b>Reporting of the Audit Committee</b>			
5(6)(a)(i)	<b>Reporting to the Board of Directors:</b> The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any: a) Report on conflicts of interests; b) Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; c) Suspected infringement of laws, regulatory compliances including securities related laws, rules	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	and regulations; and d) Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
5(6)(b)	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 06 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
5(7)	<b>Reporting to the Shareholders and General Investors:</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	<b>Nomination and Remuneration Committee (NRC):</b>			
6(1)	<b>Responsibility to the Board of Directors-</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 01 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6(4)	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	<b>Role of the NRC</b>			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	<b>External or Statutory Auditors</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:- (i) Appraisal or valuation services or fairness opinions; (ii) Financial information systems design and implementation; (iii) Book-keeping or other services related to the accounting records or financial statements; (iv) Broker-dealer services;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	(v) Actuarial services; (vi) Internal audit services or special audit services; (vii) Any service that the Audit Committee determines; (viii) Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and (ix) Any other service that creates conflict of interest.			
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	<b>Maintaining a website by the Company</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.  <b>Explanation:</b> "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the PvUvW© †m‡µUvixR AvBb, 2010 (2010 m‡bi 25bs AvBb) (Chartered Secretaries Act, 2010).	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	be appointed by the shareholders in the annual general meeting.			
9(3)	The directors of the company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Sd/-  
**(Md. Mokaddess Ali ACS)**  
 Company Secretary

Sd/-  
**(Tariqul Islam Chowdhury)**  
 Managing Director & CEO

**(c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate:**

The name of Audit Committee members and Nomination and Remuneration Committee are as follows:

<b>Audit Committee Members Name</b>	<b>Nomination and Remuneration Committee Members Name</b>
Mr. Md. Sajidur Rahman, Chairman	Mr. Md. Sajidur Rahman, Chairman
Dr. Syed Hafizur Rahman, Member	Mr. Talukder Abdul Khaleque, Member
Al-Haj Mizanur Rahman, Member	Engr. Md. Moklesur Rahman, Member
Mr. Sakhawat Hussain, Member	Captain M.Mozzam Hossain, Member
Mr. Abu Zafar Mohammad Shofiuddin, Member	Mr. Sk.Shydujjaman, Member

The Audit committee of the Board is formed and operates under the terms of reference in accordance with the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank.

## SECTION - XV

<p><b>VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER</b></p>
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## Valuation Report of Securities Prepared By The Issue Manager

The valuation methods outlined by the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been followed.

### Qualitative and Quantitative factors for Valuation:

#### Qualitative Justification:

- 1. Strong Management:** The expert team of South Bangla Agriculture & Commerce Bank Limited, which consists of and a good number of professionals from various disciplines, are seasoned and experienced enough to head and operate Head office and each of the branches for optimal service to fulfill the demand of target customers.
- 2. Modern Banking Products and Strategies:** The Bank has been using sound and modern banking business strategies, comprising products that smooth our operation.
- 3. Technology:** The Bank has latest tools and technologies to support modern Banking Business.
- 4. Dedicated Workforce:** The Bank has dedicated human resources.

#### Quantitative Justification:

The following table illustrates the summary of valuation of South Bangla Agriculture & Commerce Bank Limited under different valuation methods:

Method 1: Net Asset Value (NAV) per share/Equity based valuation	13.18
Method 2: Historical Earnings based valuation	16.41
Method 3: Average market price of similar stock-based valuation	20.10

#### Method 1: Share price on Net Asset Value (NAV)

Particulars	Amount
Paid up capital	6,846,455,170
Statutory reserve	1,479,777,861
Other reserve ( revaluation reserve on Govt. Securities)	44,848,950
Surplus in profit and loss account	654,883,514
<b>Total Shareholders' Equity</b>	<b>9,025,965,495</b>
Number of shares 684,645,517	
<b>Net Asset Value per share as on September 30, 2020 audited Report (9 Months)</b>	<b>13.18</b>

#### Method 2: Earnings based value per share

Earnings based Value per share based on Overall Market P/E

Financial Year	No. of Share	Comprehensive income	Weight	Weighted Average Profit
2019	622,405,016	967,602,178	0.25	238,114,281
2018	565,822,742	879,587,136	0.22	196,777,206
2017	498,522,240	982,035,859	0.20	193,565,256
2016	433,497,600	949,456,718	0.17	162,733,660
2015	408,960,000	358,006,980	0.16	57,887,907
<b>Total</b>	<b>2,529,207,598</b>	<b>4,136,688,871</b>	<b>1.00</b>	<b>849,078,310</b>
<b>No. of shares</b>				<b>684,645,517</b>
Weighted average EPS				1.24
Average three months DSE overall market P/E from				13.23
<b>Historical Earnings based value per share based on overall market P/E</b>				<b>16.41</b>

Source: DSE Monthly Review.

### Method 3: Average market price of similar stock based valuation

SI	Date	ONE BANK	AB BANK	DUTCH BANGLA	SOUTHEAST BANK	ALARAFABA BANK	JAMUNA BANK	ISLAMIBANK	SIBL	PRIMER BANK	PUBLI BANK
1	30-Nov-20	10.40	10.30	64.10	12.50	22.60	19.30	26.20	12.50	17.20	23.60
2	29-Oct-20	10.40	9.70	63.70	12.30	18.00	17.60	26.10	12.60	17.30	24.30
3	30-Sep-20	10.90	10.40	65.30	13.00	17.00	17.50	26.90	13.00	17.50	24.10
4	31-Aug-20	10.50	9.20	64.50	13.80	16.80	17.30	24.90	13.10	16.90	23.50
5	30-Jul-20	8.90	7.30	56.90	11.30	16.10	16.00	18.10	11.80	14.40	21.10
6	30-Jun-20	9.20	6.80	56.90	11.30	14.80	16.30	17.50	11.80	14.20	20.80
7	31-May-20	8.90	7.20	56.90	11.30	14.70	16.00	16.70	11.80	14.30	20.50
8	25-Mar-20	9.40	8.00	58.80	11.30	14.80	17.00	16.90	12.10	14.60	20.70
9	27-Feb-20	9.40	7.30	63.30	12.50	16.00	17.60	18.80	12.60	15.60	23.30
10	30-Jan-20	9.60	7.80	68.90	12.90	15.10	18.00	18.60	14.30	16.80	24.60
11	30-Dec-19	10.30	7.90	71.30	13.40	17.20	18.50	19.10	13.80	18.20	24.00
12	28-Nov-19	10.50	7.80	71.70	12.90	16.80	18.70	18.40	14.80	18.50	25.40
<b>Average Price</b>		<b>9.87</b>	<b>8.31</b>	<b>63.53</b>	<b>12.38</b>	<b>16.66</b>	<b>17.48</b>	<b>20.68</b>	<b>12.85</b>	<b>16.29</b>	<b>22.99</b>
<b>Average Price</b>											<b>20.10</b>

### Average market price of similar stock-based valuation (Assumption)

1. The average month end close price of the peer Company from November 2019 to November 2020 is considered.

### Rationale:

There are 30 listed Banks in the capital market. From the listed Banks here considered 10 commercial Banks because of the similarity in the nature of business and paid up capital.

## SECTION XVI

<b>DEBT SECURITIES</b>
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## **DEBT SECURITIES**

The Company has not issued or is planning to issue any debt security within six months.

## **SECTION (XVII)**

<p><b>PARTIES INVOLVED AND THEIR RESPONSIBILITIES</b></p>
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**PARTIES INVOLVED AND THEIR RESPONSIBILITIES**

<b>Parties involved with South Bangla Agriculture &amp; Commerce Bank Ltd.</b>		<b>Responsibilities</b>
<b>(a) Issue Manager</b>	ICB Capital Management Limited	The Issue Managers are responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 including preparation and disclosures made in the prospectus and other responsibilities as mentioned in the due diligence certificate.
<b>(b) Underwriters</b>	ICB Capital Management Ltd. Sonali Investment Ltd. LankaBangla Investments Ltd. Prime Finance Capital Management Ltd. MIDAS Investment Ltd. Rupali Investment Ltd. Uttara Finance Capital Management Ltd. MTB Capital Ltd. Roots Investment Ltd.	The Underwriter(s) is responsible to underwrite the public offering on a firm-commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. In case of under-subscription in collectively up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).
<b>(c) Statutory Auditor</b>	Hoda Vasi Chowdhury & Co.	To express an opinion on financial statements of the auditor based on their audit. An auditor conducting an audit in accordance with Bangladesh Standards on Auditing (BSA) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements whether caused by fraud or error.
<b>(d) Cost Auditor</b>	Not Applicable	Not Applicable
<b>(e) Valuer</b>	Not Applicable	Not Applicable
<b>(f) Credit Rating Company</b>	Credit Rating Agency of Bangladesh Limited (CRAB)	Credit Rating Company is responsible for conducting the long term and short-term rating of the company based on its financial statements and other relevant qualitative and quantitative information. Credit Rating Company shall publish the rating in its public website when it issues or updates a final rating.

## SECTION (XVIII)

<b>MATERIAL CONTRACTS</b>
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## MATERIAL CONTRACTS

The followings are material agreements have been entered into by the Company:

1) Underwriting Agreements between the Company and the Underwriters:

- a. ICB Capital Management Ltd.
- b. LankaBangla Investments Ltd.
- c. Prime Finance Capital Management Ltd.
- d. MIDAS Investment Ltd.
- e. Rupali Investment Ltd.
- f. Uttara Finance Capital Management Ltd.
- g. Sonali Investment Ltd.
- h. MTB Capital Ltd.
- i. Roots Investment Ltd.

2) Issue Management Agreement between the Company:

- ICB Capital Management Limited.

(a) Material parts of the agreements:

Contact	Material Parts of the Agreement	
	Name	ICB Capital Management Limited
	Signing Date:	October 20, 2020
Issue Management Agreement	Principal Terms and Conditions:	<p><u>According to the clause no. 2.1.1</u></p> <ol style="list-style-type: none"> <li>a) Collect all necessary documents/information from the Issuer as required by the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015;</li> <li>b) Preparing the Prospectus as required by the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015;</li> <li>c) Selection and Co-ordination with the lead Banker to the Issue;</li> <li>d) Selection of Underwriter(s) in consultation with the ISSUER;</li> <li>e) Assist to prepare all related necessary documents for submission and filing of application of the PUBLIC ISSUE to the Bangladesh Securities and Exchange Commission (BSEC) and Stock Exchanges;</li> <li>f) Assist to submit of draft prospectus to BSEC and Stock Exchanges along with necessary documents;</li> <li>g) Assist to comply with any deficiencies identified by BSEC and Stock Exchanges;</li> <li>h) Assist the issuer to fulfill the application for listing on Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and CDBL after getting BSEC consent;</li> </ol>
Underwriting agreements	Name	ICB Capital Management Ltd. LankaBangla Investments Ltd. Prime Finance Capital Management Ltd. MIDAS Investment Ltd. Rupali Investment Ltd. Uttara Finance Capital Management Ltd. Sonali Investment Ltd. MTB Capital Ltd.

Contact	Material Parts of the Agreement	
	Signing Date:	11 January 2021
	Principal Terms and Condition	<p><u>According to the clause no. 1.03</u></p> <p>In case of under-subscription collectively up to 35% of the public offer, the under-subscribed portion of securities shall be taken up by the underwriter(s).</p> <p><u>According to the clause no. 2.05</u></p> <p>The issuer, in the event of under subscription, shall send notice to the underwriter(s) within ten days of closure of subscription calling upon them to subscribe the securities and pay for this in cash in full within fifteen days of the date of said notice and the said amount shall be credited into securities subscription account within the said period. If payment is made by Cheque/ Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this agreement, until such time as the Cheque/ Bank Draft has been encased and the Company's account credited. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of money by the underwriter to the Commission.</p> <p>In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.</p> <p>In the case of failure by the underwriter to pay within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this Agreement.</p> <p>In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law;</p>
Credit Rating Agreement with CRAB Limited	Name	Credit Rating Agency of Bangladesh Ltd.
	Signing Date:	12 March 2018
	Principal Terms and Condition:	<p><u>According to Clause 5:</u></p> <p>That second party agrees to co-operate with first party in all respects so as to enable first party to arrive at a "true and fair rating" of the Company by ensuring the completeness. Accuracy and validity of the operational, technical and financial information being provided as well as the prompt timeliness of the requisite information.</p> <p><u>According to Clause 8:</u></p> <p>That second party agrees to inform first party during the validity of the rating period if there is any significant changes in the ownership, management, operations, borrowing, repayments etc. as incorporated in the rating report. Second party also agrees and undertakes that any such change after the rating award is assigned by first party would be subject to first party's review and may even result in a subsequent change in the rating award.</p>

**(b) Fees payable to different parties:**

Sl.	Name of the Parties	Role	Fees Payable
1.	ICB Capital Management Limited	Issue Manager	BDT 5.00 million
2.	ICB Capital Management Ltd. LankaBangla Investments Ltd. Prime Finance Capital Management Ltd. MIDAS Investment Ltd. Rupali Investment Ltd. Uttara Finance Capital Management Ltd. Sonal Investment Ltd. MTB Capital Ltd. Roots Investment Ltd.	Underwriters	0.25% of the amount underwritten by them out of the Public Issue.
3.	Credit Rating Agency Bangladesh Limited	Credit Rating Company	BDT 250,000.00 (two lac fifty thousand only) excluding VAT.

## **SECTION XIX**

<b>LITIGATIONS, FINE OR PENALTY</b>
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## LITIGATIONS, FINE OR PENALTY

As per information provided by the Bank, there is no litigation except the followings:

a) The following litigations including outstanding litigations against the issuer or any of its Directors and fine or penalty imposed by any authority:

### **I. Litigation involving Civil Laws:**

There is no litigation against the Bank and any of its directors in a civil proceeding except the followings:

#### **The civil case no 149/17**

The civil case no 149/17 dated 09.10.2017 turns into Revision suit no 56/18 was filed by Mr. Md. Mosharaf Hossain on behalf of M/s. Firoz Enterprise against SBAC Bank Limited, a defaulted party of Sathkhira Branch for partition of mortgaged land. At present hearing will be held for Revision suit.

#### **The civil case no 200/19**

The civil case no 200/19 dated 24.10.2019 was filed by M/s. Bismillah Mothso Khamar against SBAC Bank Limited, a defaulted party of Katakali Branch. At present the case is in hearing stage for written complain.

#### **The civil case no 27/19**

The civil case no 27/19 dated 07.02.2019 was filed by M/s. Rahman Shoes against SBAC Bank Limited, a defaulted party of Katakali Branch. At present the case is in hearing stage for written complain.

### **II. Litigation involving Criminal Laws:**

There is no litigation against the Issuer in a criminal proceeding.

### **III. Litigation involving Securities, Finance and Economic Laws:**

There is no such litigation against the Issuer or any of its directors.

### **IV. Litigation involving Labor Laws:**

There is no such litigation against the Issuer or any of its directors.

### **V. Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):**

There is no case against the Issuer or any of its directors in connection to taxation (Income tax, VAT, Customs Duty and any other taxes/duties).

### **VI. Litigation involving any other Laws:**

There no litigations against the Issuer & its directors except the followings:

#### **Writ Petition No. 11438 of 2017**

Mr. Talukder Abdul Khalequwas appointed as an independent director by the board in 4<sup>th</sup> AGM (held in 10.05.2017) but the Bangladesh Bank regretted his approval through their letter No. BRPD (R-2) 651/9(55) DL/2017-4884 dated 03.08.2017 on the ground of section 15AA of the Companies Act 1991. In this regard a petition was filed (Writ Petition No. 11438 of 2017) before the Honorable High Court Division by Mr. Talukder Abdul Khaleque against Bangladesh Bank and South Bangla Agriculture & Commerce Bank Limited. Pending hearing of the Rule, the court directed the bank to allow the petitioner (Mr. Talukder Abdul Khaleque) to function as independent Director of SBAC Bank Limited. Since then Talukder Abdul Khaleque has been performing his duty as Independent Director.

**Title Suit No. 299 of 2017 & Appeal (F. A. No. 259 of 2017)**

Mr. Alhaj Mizanur Rahman after not getting any clarification on his office of director filed Title Suit No. 299 of 2017 before the Joint District Judge, 5<sup>th</sup> Court, Dhaka against Bangladesh Bank & South Bangla Agriculture and Commerce Bank Limited, but had not got any remedy. He afterward filed an appeal (F. A. No. 259 of 2017) before the high court division. Considering the facts and circumstances, the Court ordered the bank to maintain status-quo in respect of his directorship of South Bangla Agriculture and Commerce Bank Limited until disposal of the instant appeal. Since then Mr. Alhaj Mizanur Rahman is functioning as a director in the board of SBAC Bank Ltd. by the order of honorable high court.

**Bank Company Application 1/2019**

Bangladesh Bank filed the case as Petitioner, against Peoples Leasing and Financial Services Limited (Captain M. Moazzam Hossain is one of the former directors of Peoples Leasing and Financial Services Limited) and others. The suit regarding liquidation of Peoples Leasing and Financial Services Limited is pending at the High Court at hearing stage. On 21.01.2021 the court adjourned the hearing till 26.01.2021.

**b) Cases including outstanding litigations filed by the Company or any of its directors:****I. Litigation involving Civil Laws:**

There is no litigation involving Civil Laws, those are litigations filed by the Company or any of its directors.

**II. Litigation involving Criminal Laws:**

There are following litigations involving Criminal Laws filed by the Company:

**The criminal case no C.R -71/19**

The criminal case no C.R -71/19 dated 13.01.2019, now changed into ST 4864/19 and C.R- 72/19 dated 13.01.2019, now changed into ST 4865/19 was filed by SBAC Bank Limited against M/s. MRF Fisheries, a defaulted party of Agrabad Branch, for dishonor of two (2) Cheques Tk. 2000.00 Lac and Tk. 500.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for witness.

**The criminal case no C.R -68/19**

The criminal case no C.R -68/19, now changed into Dayra 1094/19 dated 27.03.2019 was filed by SBAC Bank Limited against M/s. Bhuiyan Timber & Saw Mill, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 80.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -18/2020**

The criminal case no C.R -18/2020 dated 10.02.2020, now changed into Dayra 441/2020 dated 10.02.2020 was filed by SBAC Bank Limited against M/s. Jakia Super Shop & Electronics, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 95.56 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -20/2020**

The criminal case no C.R -20/2020, now changed into Dayra 566/2020 dated 11.02.2020 was filed by SBAC Bank Limited against M/s. Jakia Super Shop & Electronics, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 33.96 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -24/2020**

The criminal case no C.R -24/2020, now changed into Dayra 511/2020 dated 17.02.2020 was filed by SBAC Bank Limited against M/s. Mahadia Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 146.16 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -25/2020**

The criminal case no C.R -25/2020, now changed into Dayra 537/2020 dated 18.02.2020 was filed by SBAC Bank Limited against M/s. Jahid Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 292.18 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -28/2020**

The criminal case no C.R -28/2020 dated 19.02.2020, now changed into Dayra 442 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -29/2020**

The criminal case no C.R -29/2020, now changed into Dayra 542/2020 dated 20.02.2020 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 784.16 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -31/2020**

The criminal case no C.R -31/2020, now changed into Dayra 575/2020 dated 24.02.2020 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 45.23 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -43/2020**

The criminal case no C.R -43/2020 dated 11.03.2020 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 280.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for change the court.

**The criminal case no C.R -51/2020**

The criminal case no C.R -51/2020 dated 24.03.2020 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 65.16 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for change the court.

**The criminal case no C.R -52/2020**

The criminal case no C.R -52/2020 dated 24.03.2020 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 25.52 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for change the court.

**The criminal case no C.R -53/2020**

The criminal case no C.R -53/2020 changed into Dayra 533 dated 25.03.2020 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 23.66 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for change the court.

**The criminal case no C.R -54/2020**

The criminal case no C.R -54/2020 changed into Dayra 596 dated 25.03.2020 was filed by SBAC Bank Limited against M/s. Al-Madina Traders, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 21.90 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -42/2020**

The criminal case no C.R -42/2020 dated 08.03.2020 was filed by SBAC Bank Limited against M/s. Jannat Auto Mobile & Parts, a defaulted party of Bangla Bazar Branch, for dishonor of Cheque Tk. 112.65 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for change the court.

**The criminal case no C.R -1043/2020**

The criminal case no C.R -1043/2020 dated 20.10.2019 was filed by SBAC Bank Limited against M/s. Sheria Enterprise, a defaulted party of Barisal Branch, for dishonor of Cheque Tk. 105.50 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for change the court.

**The criminal case no C.R -12/2018**

The criminal case no C.R -12/2018 Changed into ST 1472 dated 08.01.2018 was filed by SBAC Bank Limited against M/s. Saint Martin Enterprise, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 450.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for witness acceptance.

**The criminal case no C.R -413/2019**

The criminal case no C.R -413/2019 changed into ST 738/2020 dated 03.10.2019 was filed by SBAC Bank Limited against M/s. Hazi Selim Enterprise, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 200.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in the stage for witness acceptance.

**The criminal case no C.R -451/2019**

The criminal case no C.R -451/2019 changed into ST 647/2020 dated 31.10.2019 was filed by SBAC Bank Limited against M/s. M Trading Corporation, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 175.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -452/2019**

The criminal case no C.R -452/2019 changed into ST 648/2020 dated 31.10.2019 was filed by SBAC Bank Limited against M/s. Jargis Enterprise, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 200.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -67/2020**

The criminal case no C.R -67/2020 dated 18.02.2020 was filed by SBAC Bank Limited against M/s. Ambia Oil Suppliers, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 50.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -68/2020**

The criminal case no C.R -68/2020 dated 18.02.2020 was filed by SBAC Bank Limited against M/s. Ambia Oil Suppliers, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 50.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -394/2020**

The criminal case no C.R -394/2020 dated 09.11.2020 was filed by SBAC Bank Limited against M/s. J.L Enterprise, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 619.17 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -395/67/2020**

The criminal case no C.R -395/67/2020 dated 09.11.2020 was filed by SBAC Bank Limited against M/s. J.L Enterprise, a defaulted party of Bhatiary Branch, for dishonor of Cheque Tk. 68.30 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -1808/18**

The criminal case no C.R -1808/18 dated 31.10.2018, now changed into Dayra 1054/19 dated 18.04.2019 was filed by SBAC Bank Limited against M/s. Aswot Traders & M/s Meraj Enterprise, a defaulted party of Bogra Branch, for dishonor of Cheque Tk. 285.73 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for witness acceptance.

**The criminal case no C.R -139 C/2020**

The criminal case no C.R -139 C/2020 dated 13.01.2020 was filed by SBAC Bank Limited against M/s. Maa Bekary, a defaulted party of Bogra Branch, for dishonor of Cheque Tk. 92.74 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R -961/2020**

The criminal case no C.R -961/2020 dated 12.11.2020 was filed by SBAC Bank Limited against M/s. Hasnat Enterprise, a defaulted party of Digraj Branch, for dishonor of Cheque Tk. 242.96 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R -491/C/19**

The criminal case no C.R -491/C/19 dated 01.07.2019, now changed into Dayra 149/2020 was filed by SBAC Bank Limited against M/s. Khan Auto Rice Mill, a defaulted party of Dinajpur Branch, for dishonor of Cheque Tk. 225.30 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for the formation of complaints.

**The criminal case no C.R -705/C/19**

The criminal case no C.R -705/C/19 dated 01.10.2019, now changed into Dayra 689/2020 was filed by SBAC Bank Limited against M/s. Khan Auto Rice Mill, a defaulted party of Dinajpur Branch, for dishonor of Cheque Tk. 1170.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no C.R -398/C/20**

The criminal case no C.R -398/C/20 dated 21.07.2020 was filed by SBAC Bank Limited against M/s. Halima Rice Industries, a defaulted party of Dinajpur Branch, for dishonor of Cheque Tk. 229.85 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing warrant.

**The criminal case no C.R -880/20**

The criminal case no C.R -880/20 dated 23.12.2020 was filed by SBAC Bank Limited against M/s. Rashidul Islam, a defaulted party of Dinajpur Branch, for dishonor of Cheque Tk. 73.19 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case no C.R -4158/19**

The criminal case no C.R -4158/19 dated 17.12.2019 was filed by SBAC Bank Limited against M/s. Faltex Composite Limited, a defaulted party of Gulshan Branch, for dishonor of Cheque Tk. 56.37 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing warrant.

**The criminal case no. 289/18**

The criminal case no. 289/18 dated 18.04.2018 was filed by SBAC Bank Limited against M/s. Khan Surgical Engineering, a defaulted party of Hemayetpur Branch, for dishonor of Cheque Tk. 227.44 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for Judgement.

**The criminal case no C.R -243, 244, 245, 246, 247, 248, 249, 250 & 251/18**

The criminal case no C.R -243,244,245,246,247,248,249,250 & 251/18 dated 09.04.2018 was filed by SBAC Bank Limited against M/s. Ariyan Trading Corporation, a defaulted party of Imamgonj Branch, for dishonor of Cheque Tk. 2283.64 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for trail.

**The criminal case no C.R - 1108/19**

The criminal case no C.R - 1108/19 dated 24.06.2019, now changed into ST 2862/2019 dated 20.02.2020 was filed by SBAC Bank Limited against M/s. Zobeda Enterprise, a defaulted party of Jessore Branch, for dishonor of Cheque Tk. 140.67 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for prove of witness acceptance.

**The criminal case no Dayra - 2286/20**

The criminal case no Dayra - 2286/20 was filed by SBAC Bank Limited against M/s. Mazumder Machineries, a defaulted party of Jubilee Road Branch, for dishonor of Cheque Tk. 6.28 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for witness acceptance.

**The criminal case no C.R- 2998/20**

The criminal case no C.R- 2998/20 dated 17.12.2019 was filed by SBAC Bank Limited against M/s. Mazumder Machineries, a defaulted party of Jubilee Road Branch, for dishonor of Cheque Tk. 20.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for making charge.

**The criminal case no Dayra - 2587/20**

The criminal case no Dayra - 2587/20 was filed by SBAC Bank Limited against M/s. New Azmeri Store, a defaulted party of Jubilee Road Branch, for dishonor of Cheque Tk. 50.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for witness acceptance.

**The criminal case no C.R- 557/20**

The criminal case no C.R- 557/20 dated 03.03.2020 was filed by SBAC Bank Limited against M/s. Harun& Brothers, a defaulted party of Jubilee Road Branch, for dishonor of Cheque Tk. 930.54 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 568/20**

The criminal case no C.R- 568/20 dated 04.03.2020 was filed by SBAC Bank Limited against M/s. Harun& Brothers, a defaulted party of Jubilee Road Branch, for dishonor of Cheque Tk. 648.97 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 1412/20**

The criminal case no C.R- 1412/20 dated 27.08.2020 was filed by SBAC Bank Limited against M/s. Farid& Sons, a defaulted party of Jubilee Road Branch, for dishonor of Cheque Tk. 195.65 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case no C.R- 2092/20**

The criminal case no C.R- 2092/20 dated 29.11.2020 was filed by SBAC Bank Limited against M/s. Karim & Brothers, a defaulted party of Jubilee Road Branch, for dishonor of Cheque Tk. 393.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 532/20 & C.R- 533/2020**

The criminal case no C.R- 532/20 & C.R- 533/2020 was filed by SBAC Bank Limited against M/s. Mayer Doa Fish, a defaulted party of Katakhalhi Branch, for dishonor of Cheque Tk. 251.98 Lac & 24.04 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 21/20**

The criminal case no C.R- 21/20 dated 29.01.2020 filed by SBAC Bank Limited against M/s. Gazi Enterprise, a defaulted party of Katakhalhi Branch, for dishonor of Cheque Tk. 121.77 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 943/20**

The criminal case no C.R- 943/20 dated 09.11.2020 filed by SBAC Bank Limited against M/s. Nishan Enterprise, a defaulted party of Katakhalhi Branch, for dishonor of Cheque Tk. 231.36 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for written complain.

**The criminal case no C.R- 195/20**

The criminal case no C.R- 195/20 dated 11.11.2020 filed by SBAC Bank Limited against M/s. S.N Ali & Sons, a defaulted party of Katakhalhi Branch, for dishonor of Cheque Tk. 214.61 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no. C.R 24/21**

The criminal case no. C.R 24/21 dated 27.01.2021 filed by SBAC Bank Limited against M/s. Bismillah Poultry Farm, a defaulted party of Katakhalhi Branch, for dishonor of Cheque under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 03/21**

The criminal case no C.R- 03/21 dated 04.01.2021 filed by SBAC Bank Limited against M/s. Ayesha Steel House, a defaulted party of Keraniganj Branch, for dishonor of Cheque Tk. 62.19 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case C.R 65/19 dated**

The criminal case C.R 65/19 dated 15.01.2019 filed by SBAC Bank Limited against M/s. Palash Enterprise, a defaulted party of Khulna Branch, for dishonor of Cheque Tk. 80.38 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is on process of cancellation.

**The criminal case C.R-258/2019**

The criminal case C.R-258/2019 dated 07.03.2019 filed by SBAC Bank Limited against M/s. Labib Trade International, a defaulted party of Khulna Branch, for dishonor of Cheque Tk. 228.29 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is on process of cancellation.

**The criminal case no C.R- 420/20**

The criminal case no C.R- 420/20 dated 25.03.2020 filed by SBAC Bank Limited against M/s. Seaworthy Traders, a defaulted party of Khulna Branch, for dishonor of Cheque Tk. 654.95 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 339/20**

The criminal case no C.R- 339/20 dated 12.03.2020 filed by SBAC Bank Limited against M/s. Khan Jahan Ali Auto Chirar Mill, a defaulted party of Khulna Branch, for dishonor of Cheque Tk. 756.16 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 103/20**

The criminal case no C.R- 103/20 dated 23.01.2020 filed by SBAC Bank Limited against M/s. Khaza Plastic, a defaulted party of Khulna Branch, for dishonor of Cheque Tk. 74.41 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 38/20 & C.R- 39/2020**

The criminal case no C.R- 38/20 & C.R- 39/2020 filed by SBAC Bank Limited against M/s. National Traders, a defaulted party of Lobanchara Branch, for dishonor of Cheque Tk. 1.25 Lac & Tk. 10.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 1143/19 & C.R- 1144/2019**

The criminal case no C.R- 1143/19 & C.R- 1144/2019 dated 25.09.2019 filed by SBAC Bank Limited against M/s. Seraj & Brothers, a defaulted party of Mawna Branch, for dishonor of Cheque Tk. 61.85 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 30/20**

The criminal case no C.R- 30/20 dated 09.01.2020 filed by SBAC Bank Limited against M/s. Alif Dairy & Poultry Farm, a defaulted party of Mawna Branch, for dishonor of Cheque Tk. 17.06 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for the answer of summon notice.

**The criminal case no C.R- 31/20**

The criminal case no C.R- 31/20 dated 09.01.2020 filed by SBAC Bank Limited against M/s. Mintu Enterprise, a defaulted party of Mawna Branch, for dishonor of Cheque Tk. 18.07 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for the answer of summon notice.

**The criminal case no C.R- 136/20**

The criminal case no C.R- 136/20 dated 30.01.2020 filed by SBAC Bank Limited against M/s. NayeemBostraloy& M/s NahidBostrobitan, a defaulted party of Mawna Branch, for dishonor of Cheque Tk. 69.13 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing warrant.

**The criminal case no C.R- 312/20 & C.R- 313/2020**

The criminal case no C.R- 312/20 & C.R- 313/2020 dated 12.03.2020 filed by SBAC Bank Limited against M/s. HazratShahjalal Enterprise, a defaulted party of Mawna Branch, for dishonor of Cheque Tk. 66.95 Lac & Tk. 3.07 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing warrant.

**The criminal case no C.R- 449/20**

The criminal case no C.R- 449/20 dated 30.06.2020 filed by SBAC Bank Limited against M/s. Maa Babar DoyaBanijjaloy, a defaulted party of Mawna Branch, for dishonor of Cheque Tk. 91.79 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for the answer of summon notice.

**The criminal case no C.R- 813/19& C.R- 866/2020**

The criminal case no C.R- 813/19 dated 27.08.2019 & C.R- 866/2020 dated 23.11.2020 filed by SBAC Bank Limited against M/s. The Active Point, a defaulted party of Mirpur Branch, for dishonor of Cheque Tk. 40.00 Lac & Tk. 25.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for notice on paper and issuing summon.

**The criminal case no C.R- 1252/19, 1262/19, 1270/19 & 1287/19**

The criminal case no C.R- 1252/19, 1262/19, 1270/19 & 1287/19 dated 16.10.2019, 17.10.2019, 21.10.2019 & 23.10.2019 filed by SBAC Bank Limited against M/s. Fayeem Traders, a defaulted party of Narayanganj Branch, for dishonor of Cheque Tk. 751.09 Lac, Tk. 109.74 Lac, Tk. 269.89 Lac & 100.07 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing warrant.

**The criminal case no C.R- 1320/19, 1321/19 & 1323/19**

The criminal case no C.R- 1320/19, 1321/19 & 1323/19 dated 02.09.2019, 30.10.2019 & 30.10.2019 filed by SBAC Bank Limited against M/s. Farazi Traders, a defaulted party of Narayanganj Branch, for dishonor of Cheque Tk. 30.00 Lac, Tk. 20.00 Lac & Tk. 4.48 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case no C.R- 587/19**

The criminal case no C.R- 587/19 dated 20.05.2019 filed by SBAC Bank Limited against M/s. Electra Earth, a defaulted party of Narayanganj Branch, for dishonor of Cheque Tk. 20.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case no C.R- 3239/20**

The criminal case no C.R- 3239/20 dated 05.12.2018 filed by SBAC Bank Limited against M/s. Bengal Enterprise, a defaulted party of Nasirabad Branch, for dishonor of Cheque Tk. 456.78 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for the discussion on interrogation.

**The criminal case no C.R- 252/18**

The criminal case no C.R- 252/18 dated 13.11.2018 filed by SBAC Bank Limited against M/s. Zia Enterprise, a defaulted party of Nawabpur Branch, for dishonor of Cheque Tk 181.29 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for the interrogation of the defendant.

**The criminal case no C.R- 31/20**

The criminal case no C.R- 31/20 dated 27.01.2020 filed by SBAC Bank Limited against M/s. Mohammadi Pipe, a defaulted party of Nawabpur Branch, for dishonor of Cheque Tk 1099.73 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 54/20& C.R- 58/20**

The criminal case no C.R- 54/20 dated 15.03.2020 & C.R- 58/20, dated 19.03.2020 filed by SBAC Bank Limited against M/s. Al-Manar Press & Publication, a defaulted party of Nawabpur Branch, for dishonor of Cheque Tk. 12.00 Lac & Tk. 8.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 122/20**

The criminal case no C.R- 122/20 dated 22.10.2020 filed by SBAC Bank Limited against M/s. R.H Enterprise, a defaulted party of Nawabpur Branch, for dishonor of Cheque Tk. 101.95 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing warrant and result of summon.

**The criminal case no C.R- 643/19**

The criminal case no C.R- 643/19 dated 21.03.2019 filed by SBAC Bank Limited against M/s. Sajal Jute Trading, a defaulted party of Principal Branch, for dishonor of Cheque Tk. 1000.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case C.R-927/2019**

The criminal case C.R-927/2019 dated 03.12.2019 filed by SBAC Bank Limited against M/s. Islam Traders, a defaulted party of Principal Branch, for dishonor of Cheque Tk. 220.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 509C/20 & C.R- 502C/2020**

The criminal case no C.R- 509C/20 dated 25.08.2020 & C.R- 502C/2020 dated 24.08.2020 filed by SBAC Bank Limited against M/s. Antor Rice Mill & M/s. Antor Poultry Feed and fish Feed, a defaulted party of Rajshahi Branch, for dishonor of ChequeTk 350.00 Lac & Tk. 150.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case no C.R- 510C/20**

The criminal case no C.R- 510C/20 dated 25.08.2020 filed by SBAC Bank Limited against M/s. Tanmoy Poultry Feed and Medicine Corner, a defaulted party of Rajshahi Branch, for dishonor of ChequeTk 1000.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case no C.R- 520C/20& C.R- 517C/2020**

The criminal case no C.R- 520C/20 dated 27.08.2020 & C.R- 517C/2020 dated 26.08.2020 filed by SBAC Bank Limited against M/s. Rana Shoes & M/s. Rana Motsho Khamar, a defaulted party of Rajshahi Branch, for dishonor of Cheque Tk 70.00 Lac & Tk. 90.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing summons.

**The criminal case no C.R- 858/20& C.R- 861/2020**

The criminal case no C.R- 858/20 dated 26.11.2020 & C.R- 861/2020 dated 29.11.2020 filed by SBAC Bank Limited against M/s. Joty Rice Mill, a defaulted party of Satkhira Branch, for dishonor of Cheque Tk. 168.50 Lac & Tk. 156.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 103/19& C.R- 2049/19**

The criminal case no C.R- 103/19 dated 25.03.2019 & C.R- 2049/19 dated 24.11.2019 filed by SBAC Bank Limited against M/s. Tawhid Enterprise, a defaulted party of Sylhet Branch, for dishonor of Cheque Tk. 80.90 Lac & Tk. 22.70 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage for issuing warrant, document submission and witness acceptance.

**The criminal case no C.R- 1549/18**

The criminal case no C.R- 1549/18 dated 30.10.2018 filed by SBAC Bank Limited against M/s. Bhai Bhai Store, a defaulted party of Uttara Branch, for dishonor of Cheque Tk 420.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**The criminal case no C.R- 2024/19**

The criminal case no C.R- 2024/19 dated 19.12.2019 filed by SBAC Bank Limited against M/s. Jex Textile Showroom, a defaulted party of Uttara Branch, for dishonor of Cheque Tk 46.00 Lac under Section 138 of the Negotiable Instruments Act, 1881. At present the case is in hearing stage.

**III. Litigation involving Securities, Finance and Economic Laws:**

There are following litigations involving Securities, Finance and Economic Laws filled by the issuer company:

**The Artha Rin case no 06/20**

The Artha Rin case no 06/20 dated 04.03.2020 filed by SBAC Bank Limited against M/s. Jakia Super Shop & Electronics, a defaulted party of Bangla Bazar Branch, for Tk. 138.82 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 07/20**

The Artha Rin case no 07/20 filed by SBAC Bank Limited against M/s. Bhuiyan timber & Saw Mill, a defaulted party of Bangla Bazar Branch, for Tk. 117.15 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 27/20**

The Artha Rin case no 27/20 filed by SBAC Bank Limited against M/s. Hazi Selim Enterprise, a defaulted party of Bhatary Branch, for Tk. 298.27 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for return of summons.

**The Artha Rin case no 283/20**

The Artha Rin case no 283/20 filed by SBAC Bank Limited against M/s. M Trading Corporation & M/s Jargis Enterprise, a defaulted party of Bhatary Branch, for Tk. 569.47 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 264/20**

The Artha Rin case no 264/20 filed by SBAC Bank Limited against M/s. Karim Alauddin Bricks, a defaulted party of Fatikchari Branch, for Tk. 80.91 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for issuing summons.

**The Artha Rin case no 737/20**

The Artha Rin case no 737/20 filed by SBAC Bank Limited against M/s. Faltex Composite Limited, a defaulted party of Gulshan Branch, for Tk. 165.79 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for issuing summons.

**The Artha Rin case no- 596/2019**

The Artha Rin case no- 596/2019 dated 27.05.2019 filed by SBAC Bank Limited against M/s. Khan Surgical Engineering, a defaulted party of Hemayetpur Branch, for Tk. 258.05 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 1558/19**

The Artha Rin case no 1558/19 dated 25.11.2019 filed by SBAC Bank Limited against M/s. Ariyan Trading Corporation, a defaulted party of Imamgonj Branch, for Tk. 2789.22 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 57/2020**

The Artha Rin case no 57/2020 dated 22.09.2020 filed by SBAC Bank Limited against M/s. Tania Ladies Fashion & M/s. Tuhin Pharmacy, a defaulted party of Jessore Branch, for Tk. 281.71 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for making charge.

**The Artha Rin case no 374/2020**

The Artha Rin case no 374/2020 dated 15.12.2020 filed by SBAC Bank Limited against M/s. New Azmeri Store, a defaulted party of Jubilee Road Branch, for Tk. 94.09 Lac under Artha Rin Adalat Ain-2003. At present the case is in hearing stage.

**The Artha Rin case no 722/2020**

The Artha Rin case no 722/2020 dated 13.12.2020 filed by SBAC Bank Limited against M/s. Ayesha Steel House, a defaulted party of Keraniganj Branch, for Tk. 64.62 Lac under Artha Rin Adalat Ain-2003. At present the case is in hearing stage for issuing summon.

**The Artha Rin case no 60/2020**

The Artha Rin case no 60/2020 dated 20.08.2020 filed by SBAC Bank Limited against M/s. Khan Jahan Ali Auto Chirar Mill, a defaulted party of Khulna Branch, for Tk 790.27 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 39/2020**

The Artha Rin case no 39/2020 filed by SBAC Bank Limited against M/s. Maa Babar Doa Banijjaloy, a defaulted party of Mawna Branch, for Tk. 92.35 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 910/2019**

The Artha Rin case no 910/2019 dated 24.11.2019 filed by SBAC Bank Limited against M/s. The Active Point, a defaulted party of Mirpur Branch, for Tk. 83.97 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for expert order.

**The Artha Rin case no 77/20**

The Artha Rin case no 77/20 dated 09.12.2020 filed by SBAC Bank Limited against M/s. Fayeem Traders, a defaulted party of Narayangonj Branch, under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case no 67/19**

The Artha Rin case no 67/19 dated 26.11.2019 filed by SBAC Bank Limited against M/s. Electra Earth, a defaulted party of Narayangonj Branch, for Tk. 27.43 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for issuing summons

**The Artha Rin case 378/2019**

The Artha Rin case 378/2019 dated 15.10.2019 filed by SBAC Bank Limited against M/s. Bengal Enterprise, a defaulted party of Nasirabad Branch, for Tk. 531.81 Lac under Artha Rin Adalat Ain-2003. At present the case is in hearing stage for submission document from defendant.

**The Artha Rin case 130/19**

The Artha Rin case 130/19 dated 19.02.2019 filed by SBAC Bank Limited against M/s. Zia Enterprise, a defaulted party of Nawabpur Branch, for Tk. 188.71 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for submission document from defendant.

**The Artha Rin case 434/19**

The Artha Rin case 434/19 dated 27.06.2019 filed by SBAC Bank Limited against M/s. Sajal Jute Trading, a defaulted party of Principal Branch, for Tk. 1818.63 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case 53/20**

The Artha Rin case 53/20 dated 29.11.2020 filed by SBAC Bank Limited against M/s. Antor Rice Mill & M/s Antor Poultry Feed And Fish Feed, a defaulted party of Rajshahi Branch, for Tk. 783.08 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for issuing summons.

**The Artha Rin case 54/20**

The Artha Rin case 54/20 dated 29.11.2020 filed by SBAC Bank Limited against M/s. Tanmoy Poultry Feed And Medicine Corner, a defaulted party of Rajshahi Branch, for Tk. 157.83 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for issuing summons.

**The Artha Rin case 55/2020**

The Artha Rin case 55/2020 dated 29.11.2020 filed by SBAC Bank Limited against M/s. Rana Shoes & M/s. Rana Mothso Khamar, a defaulted party of Rajshahi Branch, for Tk. 256.17 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for issuing summons.

**The Artha Rin case 17/19**

The Artha Rin case 17/19 dated 28.11.2019 filed by SBAC Bank Limited against M/s. Firoz Enterprise, a defaulted party of Satkhira Branch, for Tk. 94.06 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage.

**The Artha Rin case 806/2019**

The Artha Rin case 806/2019 dated 12.11.2019 filed by SBAC Bank Limited against M/s. Bhai Bhai Store, a defaulted party of Uttara Branch, for Tk. 460.89 Lac under Artha Rin Adalat Ain- 2003. At present the case is in hearing stage for expert hearing.

**IV. Litigation involving Labor Laws:**

There is no litigation involving Labor Laws.

**V. Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):**

There is no litigation involving taxation (Income tax, VAT, Customs Duty and any other taxes/duties).

**VI. Litigation involving any other Laws:**

There are following litigations filed by two of its directors:

**Writ Petition No. 11438 of 2017**

Mr. Talukder Abdul Khaleque was appointed as an independent director by the board in 4<sup>th</sup> AGM (held in 10.05.2017) but the Bangladesh Bank regretted his approval through their letter No. BRPD (R-2) 651/9(55) DL/2017-4884 dated 03.08.2017 on the ground of section 15AA of the Companies Act 1991. In this regard a petition was filed (Writ Petition No. 11438 of 2017) before the Honorable High Court Division by Mr. Talukder Abdul Khaleque against Bangladesh Bank and South Bangla Agriculture & Commerce Bank Limited. Pending hearing of the Rule, the court directed the bank to allow the petitioner (Mr. Talukder Abdul Khaleque) to function as independent Director of SBAC Bank limited. Since then Talukder Abdul Khaleque has been performing his duty as Independent Director.

**Title Suit No. 299 of 2017 & Appeal (F. A. No. 259 of 2017)**

Mr. Alhaj Mizanur Rahman after not getting any clarification on his office of director filed Title Suit No. 299 of 2017 before the Joint District Judge, 5<sup>th</sup> Court, Dhaka against Bangladesh Bank & South Bangla Agriculture and Commerce Bank Limited, but he did not get any remedy. He afterward filed an appeal (F. A. No. 259 of 2017) before the high court division. Considering the facts and circumstances, the Court ordered the bank to maintain status-quo in respect of his directorship of South Bangla Agriculture and Commerce Bank Limited till disposal of the instant appeal. Since then Mr. Alhaj Mizanur Rahman is functioning as a director in the board of SBAC Bank Ltd. by the grace of order of honorable high court.

## SECTION XX

<p><b>RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS</b></p>
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## RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

### Risk Factors and Management's Perceptions about The Risks:

An investment in capital market involves a high degree of risk. The Bank is operating in such an industry where both external and internal risk factors are involved having direct as well as indirect effects are exists on the investments made by the investors. Therefore, all the investors should carefully consider all the information in this Public Offer Document, including the risk factors, both external & internal and management perception there about enumerated hereunder before making an investment decision. If any of the following risks actually occur in the business, the results of operations and financial condition could suffer, the trading price of their share could decline and as a result of that investors may lose all or part of their investment.

### Internal risk factors may include, among others:

1. **Credit Risk:** Credit Risk is defined as the potential losses that bank's borrower or counter party will fail to meet its obligations in accordance with the agreed terms & conditions. This includes non-payment of capital or interest within the agreed period at the agreed rate of interest and in the agreed currency, due to unwillingness of the counter party or decline in his/her financial abilities resulting from adverse environment.

*Management Perception:* SBAC Bank Limited has well written procedure both for appraisal and regular monitoring of credit risk. Regular reviews are held and risks are identified. Risks are mitigated in a number of ways namely recourse to collateral, counter-guarantees from shareholder/ third parties. Adequate margins are maintained on the collateral to guard against adverse fluctuation in the market price of collateral. To mitigate credit related risk, the management of SBAC Bank Limited takes the following policies:

i) Credit Policy:

Credit Policy of the Bank captures the core principles for identifying, measuring and managing credit risk of the bank. These policies are approved by the Board of Directors and are designed to meet the organizational requirements that exist today and to provide flexibility for the future. The policy is also revised from time to time to make it up-to-date. SBAC Bank recognizes that the crucial factor in the bank's continued profitability and stability is its effective risk management capabilities. SBAC Bank also ensures its risk management strength and strives to continuously promote a proactive risk management culture in the bank.

ii) Lending guidelines:

Bank's credit strategy is to determine the risk appetite of the Bank. Therefore, the bank focuses on to maintain a credit portfolio keeping in mind of its risk absorbing capacity. Thus, its strategy is invigorating loan processing steps including identifying, measuring, containing risks as maintaining a balance portfolio through minimizing loan concentration, encouraging loan diversification, expanding product range, streamlining security, insurance etc. as buffer against unexpected cash flow.

iii) Credit Assessment:

A thorough credit and risk assessment is to be conducted prior to the granting of loans and at least annually thereafter for all facilities. The results of this assessment shall be present in a Credit appraisal that originates from the Relationship Manager ("RM") and duly approved by Credit Risk Management (CRM). The RM should be the owner of the customer relationship and will be held responsible to ensure the accuracy of the entire credit application submitted for approval. RMs shall follow the Bank's lending guidelines and shall conduct due diligence on new borrowers, principals and guarantors.

iv) Risk Assessment:

Credit proposals shall contain summarizing of the results of the RMs risk assessment and include, as a minimum of the following details:

- Amount and type of loan(s) proposed;
- Purpose of loans;
- Loan structure (Tenor, Covenants, Repayment schedule, Interest etc.);
- Security arrangements; and
- Marketing aspects.

v) Internal Credit Risk Rating (ICRR):

Internal credit risk rating is an important tool for credit risk management as it helps to understand various dimensions of risks involved in the underlying credit transactions. The aggregation of such rating across the borrowers, activities and the lines of business can provide better assessment of the quality of credit portfolio of a Bank or a branch. The ICRR system is vital to take decisions both at the pre-sanction stage as well as at the post-sanction stage.

vi) Credit Risk Mitigation:

The Bank believes that a key component of a disciplined credit culture is adherence to internal policies and procedures. Hence, comprehensive Credit Policies have been established in the Bank to ensure quality and transparency of investment decisions at all times. A well-defined approval hierarchy is supported by high ethical standards, established policies, procedures and practices function as the core credit risk mitigation in the overall investment culture of the Bank.

2. **Liquidity Risk:** Liquidity risk is the risk that the bank cannot promptly fulfill its payment obligations due to unforeseen factors or be forced to place funds on unfavorable terms. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

*Management Perception:* In addition to the more traditional Static Liquidity Gap Report (prepared with certain assumptions to classify non-maturing assets and non-maturing liabilities), Dynamic Liquidity Gap Reports which incorporate all contacted as well as anticipated inflows and outflows are regularly discussed at monthly meeting of Executive Risk Management Committee to ascertain real cash flow mismatches. Appropriate measures are then initiated to ensure that the bank's overall liquidity risk is maintained at a moderate level.

The Treasury Division of the Bank determines the adequacy of the liquidity position by doing analysis based on the following factors:

- Historical funding requirement;
- Current liquidity position;
- Anticipated loan disbursement;
- Anticipated future funding needs;
- Present and future earning capacity;
- Sources of funds;
- Socio economic perspective of present and near future;
- Regulatory guidelines;
- Capital planning;
- GAP analysis; and
- Stress Testing with minor, moderate and major shock showing absorbing capacity.

The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

**3. Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:**

If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline in the value of investment in associate company. As for joint venture, a joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

*Management Perception:* As SBAC Bank Ltd. has no, joint ventures or associates; Risk associated with Joint Ventures and Associates is not applicable for SBAC Bank. However, the company recently formed a subsidiary company named SBAC Bank Investment Limited which incorporation date is 21 March 2021.

**4. Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:**

There is risk involved in having limited number of customers and losing of that particular customer has negative impact on company's income and cash flow as well.

*Management Perception:* The Bank is not dependent on any particular or limited number of customers to operate the banking business. The Bank maintains diversification in making investment decisions considering Sector wise exposure, Division wise exposure (Geographic Concentration), Group wise exposure, Single borrower wise exposure, Top borrower wise exposure etc. Moreover, the company maintains good relationship with existing as well as potential customers and takes feedback about our services. There is less chance to lose customers and losing any one will not affect Bank's profitability for its demand, high quality and competitive service.

**5. Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:**

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

*Management Perception:* Due to the nature of Business SBAC Bank is not exposed to this type of risk.

**6. More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:**

Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

*Management Perception:* As SBAC Bank has no Sister concern or Associates; Risk associated with Sister concern or Associates or Subsidiary is not applicable for SBAC Bank. However, the company recently formed a subsidiary company named SBAC Bank Investment Limited which incorporation date is 21 March 2021.

**7. Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:**

Negative earning and negative operating cash flow is risk as the going concern risk for any entity.

*Management Perception:* The Bank has been operating the Business efficiently. In the last 5-years, the company generated business with profit growth. The Bank does not have any negative earnings.

**8. Loss making associate/subsidiary/group companies of the issuer:**

When associate/ subsidiary/group companies of the issuer are loss making, it affects the issuer and there is negative impact on cash flow of the issuer and Balance Sheet as well.

*Management Perception:* As SBAC Bank Ltd. has no Associates, Subsidiary, joint ventures or group of companies; Risk associated with no Associates, Subsidiary, joint ventures or group of companies is not applicable for SBAC Bank.

**9. Financial weakness and poor performance of the issuer or any of its subsidiary or associates:**

Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Besides, future growth will also be hampered.

*Management Perception:* The SBAC Bank is financially sound and has been operating with good performance. As the Bank has no associates; Risk associated with subsidiary or associates is not applicable for SBAC Bank.

**10. Decline in value of any investment:** If investment value decline, it will reduce the profit and assets as well.

*Management Perception:* Any decline in the value of any investment it may affect the profitability of the Bank as a whole. The Bank has investment in Govt. T bills, Prize bonds and also has investment in capital market.

**11. Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:**

There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there is high risk of repair and maintenance which has impact on profitability of the company.

*Management Perception:* Due to the nature of business, SBAC Bank has no plant and machineries, therefore this type of risk will not arise.

**12. Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:**

If company gives loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loans are taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

*Management Perception:* The Bank provided loan facilities to institutions and individuals related to the Directors, which are interest bearing and short term in nature. Management has obtained confirmation from each of the aforesaid entity and assessed recoverability, upon which satisfied that all these balances are recoverable in full. On the other hand, the Bank has not taken any loan from any of its directors.

**13. Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:**

In these cases there is high chance of compromise among the related companies because of conflict of interest.

*Management Perception:* There is no potential conflict of Interest as the Bank does not have any venture which is in the same line of activity.

**14. Related party transactions entered into by the company those may adversely affect competitive edge:**

Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

*Management Perception:* SBAC Bank does not have significant related party transactions and hence the management thinks that the related party transaction will not affect the competitive edge of the Bank.

**15. Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities:**

All information must be known to the potential investors so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

*Management Perception:* There are no restrictive covenants in any shareholders 'agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

**16. Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:**

In such case, company's business operation will be hampered.

*Management Perception:* Business operation of SBAC Bank Ltd. may be affected by strikes, work stoppages or increase in wage demands by employees. The Bank always maintains a good relationship with all of its employees. SBAC Bank always believes that employees are their main strength. The Bank values its workers and employees and strives to maintain high standard of labor practices to ensure congenial work environment for its employees. Moreover, The Bank pays variable remuneration i.e. annual increment on the yearly performance rating on cash basis along with other long-term benefits like provident fund, gratuity fund etc. So, it is highly unlikely that all the employees will go for strikes.

**17. Seasonality of the business of the issuer:** It is the risk involving that company is not doing business round the year.

*Management Perception:* Due to the nature of Business, the Bank does not have any seasonal aspect.

**18. Expiry of any revenue generating contract that may adversely affect the business:**

This is the risk of losing customers affecting the future sales.

*Management Perception:* The Bank does not have any revenue generating contract that may adversely affect the business.

**19. Excessive dependence on debt financing which may adversely affect the cash flow:**

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

*Management Perception:* The Bank has no debt financing; therefore, there is no possibility of risk in this respect.

**20. Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:**

Excessive dependence on key management personnel affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

*Management Perception:* Corporate Governance Guidelines is well practiced in our Bank. The Bank also has well designed organogram; hence, any change in the key management personnel can be replaced with other persons.

**21. Enforcement of contingent liabilities which may adversely affect financial condition:**

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

*Management Perception:* The Bank does not have any contingent liabilities which may adversely affect the financial condition.

**22. Insurance coverage not adequately protect against certain risks of damages:**

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

*Management Perception:* The Bank has taken Insurance Policy against vault and Cash deposits.

**23. Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:**

Directors run the Bank with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

*Management Perception:* Our directors are involved in the business for long time and they will continue the business after expiry of lock in period. Moreover, the bank strictly follows corporate culture that's why changes in the Board of Directors will not affect the Business of the Bank.

**24. Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:**

Dividend payment is highly dependent on company's ability to generate profit. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

*Management Perception:* The Bank has been earning profit and it is a profitable entity. Management of the Bank believes that it will be able to pay dividend in future.

**25. History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:**

If there is any non-operation of the Bank, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

*Management Perception:* The management has been doing business efficiently. There was no discontinuation of running Business in the history of the Bank. The Bank has employed experienced people to run the business under good leadership.

**26. Risks related to engagement in new type of business, if any:**

If it is new business, there is risk of viability of the new business.

*Management Perception:* There is no as such risk as The Bank is not engaged with any new type of business.

**27. Risk in investing the securities being offered with comparison to other available investment options:**

If the issue price goes down after floating, there is investment risk for the potential investors.

*Management Perception:* The SBAC Bank Ltd. is the leading provider of banking services in Bangladesh, catering to the domestic and overseas needs of small businesses, medium and large Corporate by offering a wide range of loan products along with foreign trade business opportunity of profitability. It is not risky in investing securities in comparison with other available investment options.

**28. Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:**

Any penalty or action creates a negative impression on the issuer.

*Management Perception:* There are no as such issues arisen in the history of SBAC Bank Ltd.

**29. Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:**

Litigation against the issuer for Tax and Vat related matters and other government claims creates a negative impression on the issuer.

*Management Perception:* Banking tax and VAT assessment/audit process is the normal course of business as per Income Tax Ordinance, 1984 and VAT act, 2012. Both of the Bank and authority filling appeal against the any order thereon.

However, the Bank did not have any litigation/legato suit in view of civil or criminal code of proceeding relating to Tax, VAT or other government claims against the Bank.

**30. Registered office or factory building or place of operation is not owned by the issuer:**

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

*Management Perception:* The registered head office and the branch offices are rented for long term. Therefore, no risk will be arisen in this respect.

**31. Lack of renewal of existing regulatory permissions/licenses:** This case may arise if the Bank is not following the law to renew its all licenses.

*Management Perception:* There is no such issue relating to lack of existing regulatory permissions/ licenses.

**32. Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:**

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation of the company to pay interest and debt service. The overall impression will be negative for the company.

*Management Perception:* There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuer.

**33. Issuances of securities at lower than the IPO offer price within one year:**

The management ultimate goal is to maximize the wealth of the Bank. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the Bank.

*Management Perception:* The SBAC Bank Limited has not issued securities at lower than IPO offer price within one year.

**34. Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:**

If any refusal happened in the above cases, it will create negative impression to the issuer.

*Management Perception:* There was no refusal of application for public issue of our Bank.

**External risk factors may include among others:**

**1. Interest Rate Risks:** When interest rate fluctuates, it causes interest rate risk. Interest Rate Risk has the potential impact on a Bank's earnings and net asset values due to change in market interest rate. Interest rate risk arises when a Bank's principal and interest cash flows (including final maturities) both on and off-balance sheet, have mismatched of the re-pricing dates. Bank's lending, funding and investment activities give rise to interest rate risk.

*Management Perception:* The interest rate risk is mainly managed as part of SBAC Bank's Asset Liability Committee (ALCO). The Asset Liability Management (ALM) Desk is an independent unit within the Treasury Division. The desk meticulously monitors and analyzes cash flows & cash positions, balance sheet gaps, daily profit & loss, economic trends, investment options, arbitrage opportunities, business growth, liquidity & places the facts and findings before the ALCO with its recommendations on a regular basis. The ALCO comprising of the senior management of the bank has been established to make important decisions relating to liquidity, interest rate and balance sheet management.

Interest rate risk may arise from trading portfolio and non-trading portfolio also. The trading portfolio of the Bank consists of government treasury bills, bond, etc. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

**2. Exchange Rate Risks:** Foreign Exchange Rate Risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Foreign exchange risk may also arise as a result of exposures of banks to profit rate risk arising from the maturity mismatches of foreign currency positions.

*Management Perception:* The SBAC Bank has established Risk Tolerance limits for foreign exchange exposure within the directives of Central Bank of Bangladesh in order to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are managed within acceptable parameters.

**3. Industry Risks:** Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

*Management Perception:* The Bank has always been careful in offering its products and services at competitive terms and conditions which in turn minimizes its industry risk exposure. The management also continues to focus on more diversification of the loan products.

**4. Economic and Political risks:** This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates or political stability. In other words, while financing a project, the risk is that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

*Management Perception:* Generally, this risk applies to every financial institution in the country but they are normally mitigated by being aware of the circumstances and taking appropriate action in time. SBAC Bank Ltd. has always kept abreast of changing business environments and this is evidenced by its good financial performance in the previous years. SBAC Bank's performance has been steady during the periods of political turmoil and natural calamities. On the other hand, political turmoil and the disturbance are not good for the economy as a whole and so also for the Bank.

## **5. Market and Technology-related Risks:**

**i) Market Risks:** The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Especially the entrance of nine more banks in the industry in 2013 has made the competitive atmosphere more intense. Strong marketing and brand management will be required to increase the bank's customer base.

*Management Perception:* SBAC Bank Ltd. focuses on pursuing unexplored market niches in the small and medium enterprise business and individual level home loan/mortgage loan which remained largely untapped within the Country. The Bank has incorporated double bottom approach in its operation, first is making profit by mobilizing fund from urban to rural areas and second is performing social responsibility by creating an entrepreneurial class. The bottom-line approach taken by the bank makes them the market leader in the banking industry.

**ii) Technology-related risk:** As the banking industry is becoming more and more technology dependent, the risks deriving from technological use is increasing day by day. The bank may be exposed to risks such as virus attack, system collapse, system hacking, unauthorized electronic fund transfer, etc.

**Management Perception:** ICT risk management is embedded with organizational internal control system which is used as part of the management control for risk management in the organization. This management control emphasizes both business control and technological control which support business requirement and governance. Business and technological controls are involved in the policies, processes and systems. Internal control and the audit process control the entire range of interactive transactions and internal transactions across organization as well as monitor and manage risks including business and ICT risks.

The Bank has integrated technology with its business and is continuously upgrading its technological aspects to keep pace with modern banking arena. The SBAC Bank Ltd. has already launched debit card, credit card, prepaid card, SMS banking, web-based remittance facility and automated emailing customer's statement. Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Real Time Gross Settlement (RTGS) has also been established as per guidelines of Bangladesh Bank.

The Bank has upgraded its data center with high-end servers and networking equipment to accommodate growing business transactions with adequate security. Besides, the data and network securities, various physical security measures like, data center access control, environmental security, fire prevention, etc. have been maintained adequately. The bank has also setup disaster recovery site with advanced technology which can be readily accessed in case of any disaster of the data center so that the customer services are not hampered.

#### **6. Potential or existing government regulations:**

Potential or existing Govt. regulations may hamper the smooth operation of the industry.

**Management perception:** The Company is enjoying good atmosphere in operating our business. Government regulations are favorable for the company.

#### **7. Potential or existing changes in global or national policies:**

Policies from government have a positive or negative impact on any company along with existing changes in globally.

**Management perception:** Now-a-days global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth day to day operation.

#### **8. Statutory clearances and approvals those are yet to be received by the issuer:**

Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need from the regulatory authority in order to be monitored, controlled and guided.

**Management Perception:** SBAC Bank Ltd. has been running its business from more than 7 years. The company has collected all the statutory clearance to operate the Banking Business in Bangladesh as a schedule Bank. Hence, there are no as such risks for the Company.

**9. Competitive condition of the business:** As Banking operation is in free market economy; the company has to face stiff competition from its competitors.

*Management Perception:* SBAC Bank Limited has been in the market over the years. The Company is doing well to be competitive with the competitors. Hence, there is always check and balance existed among the rivalry companies.

**10. Complementary and supplementary products/services which may have an impact on business of the issuer:**

Complementary goods or services are used in conjunction with another goods or services. Usually, the complementary goods have no value when consumed alone, but when combined with other goods or services, it adds to the overall value of the offering. A product can be considered a complement when it shares a beneficial relationship with another product offering. Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

*Management Perception:* The Bank has not faced any challenges relating to supplementary and complementary products and Management is concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

## SECTION XXI

<b>DESCRIPTION OF THE ISSUE</b>
---------------------------------

## DESCRIPTION OF THE ISSUE

(a) **Issue Size: Fund to be raised BDT 100.00 crore;**

(b) **Number of securities to be issued:** Public Issue of 100,000,000 Ordinary Shares;

(c) **Authorized Capital and Paid-up Capital:**

Authorized Capital : Tk. 10,000,000,000.00

Paid-up Capital : Tk. 6,846,455,170.00

(d) **Face value, premium and offer price per unit of securities;**

Face value per Share BDT 10.00 each

Offer Price per Share BDT 10.00 each

(e) **Number of securities to be entitled for each category of applicants;**

Particulars			Percentage	No. of Ordinary Shares	Nominal Value	Issue Price	Issue Amount (Taka)
Initial Public Offering through Fixed Price Method	Eligible Investors (EI)	EI excluding mutual funds and CIS	30%	30,000,000	10.00	10.00	300,000,000.00
		Mutual Funds and CIS	10%	10,000,000			100,000,000.00
	General Public (GP)	GP Excluding NRB*	50%	50,000,000			500,000,000.00
		NRB	10%	10,000,000			100,000,000.00
<b>Total</b>			<b>100%</b>	<b>100,000,000</b>			<b>1,000,000,000.00</b>

**GP excluding NRB\*:** 50,000,000 Ordinary shares will be reserved for General Public and Affected Small Investors.

(f) **Holding structure of different classes of securities before and after the issue:**

SL	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Director & Sponsor	576,527,729	576,527,729	84.21%	73.48%
2	Institutional	45,259,442	75,259,442	6.61%	9.59%
3	Mutual Funds and CIS	-	10,000,000	-	1.27%
4	Individual	62,858,346	112,858,346	9.18%	14.38%
5	Non-Resident Bangladeshis (NRBs)	-	10,000,000	-	1.27%
<b>Total</b>		<b>684,645,517</b>	<b>784,645,517</b>	<b>100.00%</b>	<b>100.00%</b>

(g) **Objective of the issue including financing requirements and feasibility in respect of enhanced paid up capital:**

Initial Public Offering (IPO) will be used for enhancing the Tier 1 Capital Base of the Bank inter alia proceeds from IPO through issuance of 100,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 1,000,000,000 will be deployed as projected below:

Area of Utilization of IPO Fund	Amount in BDT	Implementation Schedule
Government Securities (20 Years Bond 40% 15 Years Bond 20% 10 Years Bond 20% 05 Years Bond 20%)	95,18,54,136.00	Within 3 months from receiving IPO fund
Estimated IPO Expenses	4,81,45,864.00	As and when required
<b>IPO Proceed</b>	<b>100,00,00,000.00</b>	

**Feasibility:**

Feasibility report is not required since the Bank will not start new line of business with the money raised from the Initial Public Offering.

## SECTION XXII

<b>USE OF PROCEEDS</b>
------------------------

## USE OF PROCEEDS

**(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;**

Initial Public Offering (IPO) will be used for enhancing the Tier 1 Capital Base of the Bank inter alia proceeds from IPO through issuance of 100,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 1,000,000,000.00 will be deployed as projected below:

Area of Utilization of IPO Fund	Amount in BDT	Implementation Schedule
Government Securities (20 Years Bond 40% 15 Years Bond 20% 10 Years Bond 20% 05 Years Bond 20%)	95,18,54,136.00	Within 3 months from receiving IPO fund
Estimated IPO Expenses	4,81,45,864.00	As and when required
<b>IPO Proceed</b>	<b>100,00,00,000.00</b>	

Sd/-  
Md. Masoodur Rahman FCA  
Chief Financial Officer

Sd/-  
Tariqul Islam Chowdhury  
Managing Director & CEO

Sd/-  
S. M. Amzad Hossain  
Chairman

on behalf of Board of Directors

Date: 24 December 2020

(b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

**AUDITOR'S CERTIFICATE ON UTILIZATION OF THE FUND RAISED THROUGH ISSUE OF CAPITAL EARLIER**

South Bangla Agriculture and Commerce Bank Limited (hereinafter referred to as "the Bank") has kept the cash consideration money primarily as lien in different scheduled Bank of Bangladesh that has been transferred subsequently to the Bank's own account with Janata Bank Limited account number # 004001666, Janata Bhaban Corporate Branch, after due permission of Bangladesh Bank and utilized accordingly. Based on the review of the audited financial statements, cash flow statements, Bank statements and the Bank's management representation, following is the event-wise list of paid up capital raised by the Bank and item-wise utilization of the fund:

Particular to allotment	Date of Allotment	In Consideration	Amount in Taka	Utilization of fund in Financial statements
1 <sup>st</sup> (Subscriber to the Memorandum & Articles of Association at the time of incorporation)	20.02.2013	In cash	4,089,600,000	Preliminary Expenses, Placement of Fund with Banks & Financials Institutions and Investment in Treasury Bills and Bond.
2nd	27.06.2016	Stock dividend	245,376,000	Placement of Fund with Banks & Financials Institutions, Investment in Treasury Bills and Bond etc.
3rd	12.06.2017	Stock dividend	650,246,400	Placement of Fund with Banks & Financials Institutions, Investment in Treasury Bills and Bond etc.
4th	26.08.2018	Stock dividend	673,005,020	Placement of Fund with Banks & Financials Institutions, Investment in Treasury Bills and Bond etc.
5th	18.06.2019	Stock dividend	565,822,740	Placement of Fund with Banks & Financials Institutions, Investment in Treasury Bills and Bond etc.
6th	17.09.2020	Stock dividend	622,405,010	Placement of Fund with Banks & Financials Institutions, Investment in Treasury Bills and Bond etc.
<b>Total</b>			<b>6,846,455,170</b>	

The Bank is yet to complete the formalities with RJSC regarding raising of paid up capital for the sixth allotment.

Place: Dhaka  
11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
Chartered Accountants

**(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;**

As the company has no joint venture, associate the above mentioned clause is not applicable for SBAC Bank Ltd. However, the company recently formed a subsidiary company named SBAC Bank Investment Limited which incorporation date is 21 March 2021.

**(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;**

Not applicable in this case.

**(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;**

Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Initial Public Offering (IPO) will be used for enhancing the Tier 1 Capital Base of the Bank inter alia proceeds from IPO through issuance of 100,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 1,000,000,000.00 will be deployed as projected below:

Area of Utilization of IPO Fund	Amount in BDT	Implementation Schedule
Government Securities (20 Years Bond 40% 15 Years Bond 20% 10 Years Bond 20% 05 Years Bond 20%)	95,18,54,136.00	Within 3 months from receiving IPO fund
Estimated IPO Expenses	4,81,45,864.00	As and when required
<b>IPO Proceed</b>	<b>100,00,00,000.00</b>	

Sd/-  
Md. Masoodur Rahman FCA  
Chief Financial Officer

Sd/-  
Tariqul Islam Chowdhury  
Managing Director & CEO

Sd/-  
S. M. Amzad Hossain  
Chairman

on behalf of Board of Directors

Date: 24 December 2020

**(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;**

There is no such contract yet to be engaged by the Company.

**(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;**

No objects of the issue are utilization of the issue proceeds for working capital.

**(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;**

No objects of the issue are to undertake activities like diversification, modernization, expansion, other than in current business activities only.

**(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

Described under the title Use of Proceeds and Implementation Schedule are mentioned in the prospectus.

**(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

**(k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.**

Not applicable here.

## **SECTION XXIII**

<b>LOCK -IN</b>
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## LOCK-IN

(i) Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:

- (a) Shares held by sponsors, directors and shareholders holding 10% (ten%) or more, for 03 (three) years;
- (b) In case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- (c) Shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- (d) Shares held by alternative investment funds, for 01 (one) year;
- (e) Shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years.

(ii) The following table indicates the Lock-In status of the shareholders of South Bangla Agriculture & Commerce Bank Limited:

SL	Name of the Shareholders	Position	BO IDs	Number of Share held	Pre IPO Percentage of Shareholding	Date of 1 <sup>st</sup> Acquisition	Lock in Period
1.	Mr. S.M. Amzad Hossain	Chairman	1204030072734908	22,000,000	3.21%	20-02-2013	3 Years
2.	Begum Sufia Amjad	Director	1204490072754945	22,990,000	3.36%	20-02-2013	3 Years
3.	Miss Tajori	Sponsor Shareholder	1204030072768429	3,564,100	0.52%	20-02-2013	3 Years
4.	Abu Zafar Mohammad Shofiuddin	Director	1201900032019031	33,482,273	4.89%	20-02-2013	3 Years
5.	Mr. Abdul Kadir Molla	Director	1201530072442723	33,482,273	4.89%	20-02-2013	3 Years
6.	Engr. Md. Moklesur Rahman	Director	1203780001629184	33,482,273	4.89%	20-02-2013	3 Years
7.	Al-Haj Mizanur Rahman	Director	1201530072571783	24,200,000	3.53%	20-02-2013	3 Years
8.	Captain M. Moazzam Hossain	Director	1202880072395580	34,145,600	4.99%	20-02-2013	3 Years
9.	Mr. Motiur Rahman	Sponsor Shareholder	1201910004133529	796,494	0.12%	20-02-2013	3 Years
10.	Mr. Md. Eathashamul Haque	Sponsor Shareholder	1202400072742882	1,674,113	0.24%	20-02-2013	3 Years
11.	Ms. Kamrun Nahar	Sponsor Shareholder	1201910063758151	10,667,022	1.56%	20-02-2013	3 Years
12.	Dr. Mysha Khabir	Sponsor Shareholder	1201910072373678	4,400,000	0.64%	20-02-2013	3 Years
13.	Mr. Iqbal Haider Chowdhury	Sponsor Shareholder	1205720072551042	8,387,308	1.23%	20-02-2013	3 Years
14.	Mr. Mohammed Nazrul Islam	Sponsor Shareholder	1202610000177173	1674113	0.24%	20-02-2013	3 Years
15.	Mr. A. K. M. Mizanur Rahman, FCA	Sponsor Shareholder	1201570072427898	1,674,113	0.24%	20-02-2013	3 Years
16.	Padma Lamitube Ltd.	Sponsor Shareholder	1203490004332141	3,348,227	0.49%	20-02-2013	3 Years
17.	Mr. Mozaharul Haque Shahid	Sponsor Shareholder	1202400072689531	6,696,454	0.98%	20-02-2013	3 Years
18.	Mr. Md. Emdadul Haque	Sponsor Shareholder	1202400073020031	1,674,113	0.24%	20-02-2013	3 Years

SL	Name of the Shareholders	Position	BO IDs	Number of Share held	Pre IPO Percentage of Shareholding	Date of 1 <sup>st</sup> Acquisition	Lock in Period
19.	Mr. Kafil Uddin Bhuiyan	Sponsor Shareholder	1203510001647941	2,092,641	0.31%	20-02-2013	3 Years
20.	Mr. Hafizur Rahman Babu	Director	1202800000036944	25,111,704	3.67%	20-02-2013	3 Years
21.	Mr. Shahab Uddin Khan	Sponsor Shareholder	1202090005777481	1,674,113	0.24%	20-02-2013	3 Years
22.	Abdul Gaffar & Co (pvt) Ltd.]	Sponsor Shareholder	1202120068938541	14,348,760	2.10%	20-02-2013	3 Years
23.	Ms. Sadnam Sadiana	Sponsor Shareholder	1603700072483588	1,373,350	0.20%	20-02-2013	3 Years
24.	Ms. Halima Khatun	Sponsor Shareholder	1205720072747933	2,200,000	0.32%	20-02-2013	3 Years
25.	Mr. Anwar Hussain	Director	1202120000156206	15,785,284	2.31%	20-02-2013	3 Years
26.	Mr. Mohammad Imran	Sponsor Shareholder	1202120017055343	3,348,227	0.49%	20-02-2013	3 Years
27.	Mrs. Tahmina Afroz	Director	1204090061961943	33,482,273	4.89%	20-02-2013	3 Years
28.	Mrs. Shamima Hossain	Sponsor Shareholder	1205720072662867	5,022,340	0.73%	20-02-2013	3 Years
29.	Hazi Sakhawat Anwara Eye Hospital ltd	Director	1204090016104352	33,482,273	4.89%	20-02-2013	3 Years
30.	Moonstar Ceramic Industries Ltd.	Director	1204490072770636	34,231,585	4.99%	27-06-2018	3 Years
31.	Mr. Sk. Shyed-uj-Jaman	Sponsor Shareholder	1204290061479121	2,746,700	0.40%	20-02-2013	3 Years
32.	Mr. Maksudur Rahman	Sponsor Shareholder	1201820067081780	24,882,442	3.63%	20-02-2013	3 Years
33.	Mr. Md. Mizanur Rahman	Sponsor Shareholder	1201820072383469	3,515,638	0.51%	20-02-2013	3 Years
34.	Mrs. Shamsun Nahar Rahman	Sponsor Shareholder	1201820072384439	3,348,227	0.49%	20-02-2013	3 Years
35.	Mr. Mohammed Ilias	Sponsor Shareholder	1201820072384894	2,746,700	0.40%	20-02-2013	3 Years
36.	Mr. Mohammed Ayub	Director	1203680062208110	27,988,873	4.09%	20-02-2013	3 Years
37.	Mr. Ayaz Waris Khan Warisi	Sponsor Shareholder	1605170072934624	1,674,113	0.24%	20-02-2013	3 Years
38.	Mr. Mohammad Abdul Hye	Sponsor Shareholder	1202090014300341	1,674,113	0.24%	20-02-2013	3 Years
39.	M/S Contech Construction Ltd.	Sponsor Shareholder	1203780053854991	33,482,273	4.89%	20-02-2013	3 Years
40.	Mr. Mohammad Nawaz	Director	1202600061561486	20,495,351	2.99%	04-03-2015	3 Years
41.	Tharmex Textile Mills Ltd.	Director	1201530072446432	33,482,273	4.89%	27-06-2016	3 Years
42.	Mr. Md. Toyamur Islam Rasel	Shareholder	1204030072769101	1,373,350	0.20%	27-06-2016	3 Years
43.	Agrovita Ltd.	Shareholder	1202880072395896	11,055,467	1.61%	27-06-2016	3 Years
44.	Shouthern Foods Ltd.	Shareholder	1204490067478251	34,203,975	4.99%	18-01-2017	3 Years
45.	Mr. Md. Mahin	Shareholder	1202580072410658	1,895,223	0.28%	02-04-2017	3 Years
46.	Mr. Mohammed Belal	Shareholder	1203680072579549	2,746,700	0.40%	27-12-2017	3 Years
47.	Mr. Tabassum Arifin Rahman	Shareholder	1201530072580090	1,373,350	0.20%	04-10-2017	3 Years
48.	Mr. Eshmam Arifin Rahman	Shareholder	1201530072572274	1,356,850	0.20%	04-10-2017	3 Years
49.	Ms. Mahia Binte Mizan	Shareholder	1201530072571767	1,356,850	0.20%	04-10-2017	3 Years
50.	Techno Electricals Ltd.	Shareholder	1201900009896836	32,724,183	4.78%	27-06-2018	3 Years
51.	Mr. ABM Ruhul Amin Howlader	Shareholder	1205720072522318	3,300,000	0.48%	16-01-2019	3 Years

SL	Name of the Shareholders	Position	BO IDs	Number of Share held	Pre IPO Percentage of Shareholding	Date of 1 <sup>st</sup> Acquisition	Lock in Period
52.	Mr. Md. Yakub	Shareholder	1202600061561202	2,008,936	0.29%	07-06-2020	3 Years
53.	Mr. Mohammed Hasan	Shareholder	1203370072671629	2,008,936	0.29%	07-06-2020	3 Years
54.	Ms. Sufia Begum	Shareholder	1202600072619324	8,969,047	1.31%	30-11-2020	3 Years
55.	Mr. Abdullah Jamil Matin	Shareholder	1203680068999888	3,744,900	0.55%	23-12-2020	3 Years
56.	SBAC Bank Suspense Account for Fractional Share	Shareholder	1201530072744244	21	0.00%	18-06-2019	3 Years

*Note:* The Bank submitted its form-XV (10% declared bonus share for the year 2019) to RJSC on 14 October 2020 but the certified copy of form-XV is not received yet.

As approved at the Bank's 7<sup>th</sup> AGM, the date of allotment for stock dividend to its shareholders was fixed on 17 September 2020. But the company inform that, at the time of submission of relevant documents (form-XV) to RJSC the company mistakenly mentioned the date of allotment as 18 October 2020 instead of 17 September 2020. However, later the company filed an application on 26 January 2021 to the RJSC to revise the actual allotment date as 17 September 2020.

## SECTION XXIV

<b>MARKETS FOR THE SECURITIES BEING OFFERED</b>
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## MARKETS FOR THE SECURITIES BEING OFFERED

### Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



#### **Dhaka Stock Exchange Limited**

DSE-Tower, Plot#46, road#21  
Nikunja-2, Dhaka-1229.

**Chittagong Stock Exchange Limited (CSE)**  
CSE Building, 1080 Sk. Mujib Road, Agrabad,  
Chittagong

### **Declaration about Listing of Shares with Stock Exchanges:**

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

### **Trading and Settlement;**

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

## **THE ISSUE SHALL BE PLACED IN "N" CATEGORY**

## SECTION XXV

<p><b>DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED</b></p>
--

## DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

The Company has raised its paid-up capital in following phases:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value of Share (Tk.)	Paid-up Capital
		In cash	Other than in cash	Bonus		
1st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	20-02-2013	408960000		-	10.00	4089600000.00
2nd	20-11-2016			24537600	10.00	245376000.00
3rd	12-06-2017			65024640	10.00	650246400.00
4th	26-08-2018			67300502	10.00	673005020.00
5th	18-06-2019			56582274	10.00	565822740.00
6th*	17-09-2020			62240501	10.00	622405010.00
<b>Total</b>				<b>275685517</b>		<b>6846455170.00</b>

\* The Bank is yet to complete the formalities with RJSC about allotment of bonus share declared for the year ended 31 December 2019.

*Note:* The Bank submitted its form-XV (10% declared bonus share for the year 2019) to RJSC on 14 October 2020 but the certified copy of form-XV is not received yet.

As approved at the Bank's 7<sup>th</sup> AGM, the date of allotment for stock dividend to its shareholders was fixed on 17 September 2020. But the company inform that, at the time of submission of relevant documents (form-XV) to RJSC the company mistakenly mentioned the date of allotment as 18 October 2020 instead of 17 September 2020. However, later the company filed an application on 26 January 2021 to the RJSC to revise the actual allotment date as 17 September 2020.

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

### (a) Dividend, voting and preemption rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting - Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

**(b) Conversion and liquidation rights;**

In terms of provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

**(c) Dividend policy;**

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

**(d) Other rights of the securities holders**

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act, 1994.

## **SECTION: XXVI**

<b>FINANCIAL STATEMENTS</b>
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## FINANCIAL STATEMENTS

(a) The latest financial statements prepared and audited by any of the Commission's panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;

**Auditors' Report  
and  
Audited Financial Statements  
of  
SOUTH BANGLA AGRICULTURE & COMMERCE Bank Limited  
For the year ended 30 September 2020**

**Independent Auditor’s Report to the Shareholders of South Bangla Agriculture and Commerce Bank Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of South Bangla Agriculture and Commerce Bank Limited (the “Bank”), which comprise the balance sheet as at 30 September 2020 and the profit and loss account, statement of changes in equity and cash flow statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 30 September 2020, and of its financial performance and its cash flows for period 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 Auditors’ 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), Bangladesh Securities and Exchange Commission (BSEC) 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.

**Emphasis of Matter**

We draw attention to Note 5.1: balance with financial institutions that includes FDR with International Leasing and Financial Services Limited and Bangladesh Finance and Investment Company Limited amounting to Tk. 61 crore which were not renewed upon their respective maturity date during the current period due to financial crisis of those institutions as well as severe impact of Covid-19. The Bank is perusing this matter and sought instruction from Bangladesh Bank for the next course of action.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, 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.

Description of key audit matters	Our response to key audit matters
<b>Measurement of provision for loans, advances and leases</b>	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank</li> </ul>

<p>portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At 30 September 2020 the Bank reported total gross loans and advances of BDT 57,917 million (2019: BDT 56,000 million) and provision for loans and advances of BDT 1,435 million (2019: BDT 1,355million).</p>	<p>guidelines;</p> <ul style="list-style-type: none"> <li>Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained</li> </ul>
<p>See note no 8 and 13 to the financial statements</p>	

<p><b>Valuation of treasury bill and treasury bond</b></p>	
<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>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 assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 7 to the financial statements</p>	

<p><b>Legal and regulatory matters</b></p>	
<p>We focused on this area because the Bank operates 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 and 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 Bank's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</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>

<b>Implementation of IFRS 16 Leases</b>	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
<p>See notes no 9, 13 to the financial statements</p>	

#### **Reporting on other information**

Management is responsible for the other information. The other information comprises all of the information in the prospectus other than the financial statements and our auditors' report thereon. The prospectus 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.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 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 Bank 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 auditors' 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 Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 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 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;
- (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the period;
- (vii) the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

- (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 4,280 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.

The engagement partner on the audit resulting in this independent auditor's report is Manzoor Alam, FCA, senior partner.

**HODA VASI CHOWDHURY & CO**  
**CHARTERED ACCOUNTANTS**  
DVC - 2012310137AO502393

Signed By: Sd/-  
Showkat Hossain FCA (0137)  
Senior Partner

Dhaka, 31 December 2020

**South Bangla Agriculture and Commerce Bank Limited**  
**Balance Sheet**  
**As at 30 September 2020**

	Notes	30 September 2020 Taka	31 December 2019 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3	831,755,255	759,249,747
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	3,930,522,768	3,677,346,131
		<b>4,762,278,023</b>	<b>4,436,595,878</b>
<b>Balance with other banks and financial institutions</b>	5		
In Bangladesh		7,937,790,884	6,414,432,491
Outside Bangladesh		241,489,980	602,464,661
		<b>8,179,280,864</b>	<b>7,016,897,152</b>
<b>Money at call on short notice</b>	6	-	-
<b>Investments:</b>	7		
Government		10,517,837,509	15,034,413,947
Others		151,679	195,470
		<b>10,517,989,188</b>	<b>15,034,609,417</b>
<b>Loans and advances</b>	8		
Loans, cash credit, overdrafts etc.		56,680,687,384	54,658,125,375
Bills purchased and discounted		1,236,757,722	1,342,612,104
		<b>57,917,445,106</b>	<b>56,000,737,479</b>
Fixed assets including premises, furniture and fixtures	9	1,399,795,482	442,767,868
Other assets	10	2,721,408,053	1,632,397,650
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>85,498,196,716</b>	<b>84,564,005,444</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	2,880,334,741	1,117,039,452
<b>Deposits and other accounts</b>	12		
Current accounts and other accounts		6,397,400,553	5,502,072,087
Special notice deposits		2,589,651,802	3,026,636,791
Bills payable		2,485,651,234	2,420,680,927
Savings bank deposits		5,661,071,326	4,329,308,387
Fixed deposits		38,036,597,208	45,341,898,712
Other deposits		12,365,137,289	10,919,565,884
		<b>67,535,509,412</b>	<b>71,540,162,788</b>
Subordinated bonds		-	-
Other liabilities	13	6,056,387,068	3,543,841,415
<b>TOTAL LIABILITIES</b>		<b>76,472,231,221</b>	<b>76,201,043,655</b>
<b>Capital/ Shareholders' equity</b>			
Paid up capital	14	6,846,455,170	6,224,050,160
Statutory reserve	15	1,479,777,861	1,479,777,861
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16	44,848,950	27,595,805
Surplus in profit and loss account	17	654,883,514	631,537,963
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>9,025,965,495</b>	<b>8,362,961,789</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>85,498,196,716</b>	<b>84,564,005,444</b>

	Notes	30 September 2020	31 December 2019
		Taka	Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
	18		
Acceptance and endorsements		1,787,107,223	2,861,743,344
Letters of guarantee		7,725,403,701	6,583,292,050
Irrevocable letters of credit		4,900,421,022	3,920,543,820
Bills for collection		1,953,659,870	1,969,822,283
Other contingent liabilities		-	-
<b>Total</b>		<b>16,366,591,816</b>	<b>15,335,401,497</b>
<b>Other commitments</b>			
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		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>16,366,591,816</b>	<b>15,335,401,497</b>
<b>Net asset value per share (NAV)</b>	40	<b>13.18</b>	<b>12.22</b>

Accompanying notes form an integral part of these financial statements.

-Sd-	-Sd-	-Sd-	-Sd-
Chairman	Director	Director	Managing Director & CEO

Signed in terms of our report of even date.

**Dhaka**  
**Date: 23 December, 2020**

**Hoda Vasi Chowdhury & Co**  
Chartered Accountants  
DVC : 2012310137A0502393  
Signed By : -Sd-  
SHAWKAT HOSSAIN FCA  
Senior Partner  
31 Dec 2020

**South Bangla Agriculture and Commerce Bank Limited**  
**Profit and Loss Account**  
**For the period ended 30 September 2020**

	Notes	January to September 2020 Taka	January to September 2019 Taka
Interest income	21	4,638,102,014	5,324,915,570
Less: Interest paid on deposits and borrowings etc.	22	3,719,935,563	3,494,354,245
<b>Net interest income</b>		<b>918,166,451</b>	<b>1,830,561,325</b>
Investment income	23	1,399,926,768	591,647,840
Commission, exchange and brokerage	24	307,246,495	345,698,406
Other operating income	25	70,177,476	66,066,834
		<b>1,777,350,739</b>	<b>1,003,413,080</b>
<b>Total operating income</b>		<b>2,695,517,190</b>	<b>2,833,974,405</b>
Salary and allowances	26	882,371,982	807,261,445
Rent, taxes, insurance, electricity etc.	27	125,087,655	260,404,018
Legal and professional expenses	28	982,857	1,798,414
Postage, stamp, telecommunication etc.	29	8,582,413	10,045,648
Stationery, printing, advertisement etc.	30	28,839,235	33,233,952
Chief executive's salary and fees	31	6,522,666	9,080,000
Directors' fees	32	1,664,000	1,560,000
Auditors' fees	33	345,000	-
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34	242,962,474	102,637,558
Other expenses	35	335,395,908	334,728,220
<b>Total operating expenses</b>		<b>1,632,754,190</b>	<b>1,560,749,255</b>
<b>Profit before provision</b>		<b>1,062,763,000</b>	<b>1,273,225,150</b>
<b>Provision for loan</b>			
Specific provision	13.3	66,193,533	88,143,271
General provision (including off balance sheet items)	13.3 & 13.4	23,914,878	38,015,150
		90,108,411	126,158,421
Provision for rebate to good borrowers	13.5	-	-
Provision for diminution in value of investments		-	-
Other provisions		-	-
<b>Total provision</b>		<b>90,108,411</b>	<b>126,158,421</b>
<b>Total Profit before taxes</b>		<b>972,654,589</b>	<b>1,147,066,729</b>
<b>Provision for taxation</b>			
Current tax	13.2	329,416,784	477,459,432
Deferred tax	10.4	(2,512,756)	-
		<b>326,904,028</b>	<b>477,459,432</b>
<b>Net profit after taxation</b>		<b>645,750,561</b>	<b>669,607,297</b>
<b>Appropriations</b>			
Statutory reserve	15	-	-
General reserve		-	-
<b>Retained surplus</b>	17	<b>645,750,561</b>	<b>669,607,297</b>
<b>Earnings per share (EPS)</b>	36	<b>0.94</b>	<b>0.98</b>

Accompanying notes form an integral part of these financial statements.

-Sd- _____ Chairman	-Sd- _____ Director	-Sd- _____ Director	-Sd- _____ Managing Director & CEO
Signed in terms of our report of even date.			

**Dhaka**  
**Date: 23 December, 2020**

**Hoda Vasi Chowdhury & Co**  
Chartered Accountants  
DVC : 2012310137A0502393  
Signed By : -Sd-  
SHA WKAT HOSSAIN FCA  
Senior Partner  
31 Dec 2020

**South Bangla Agriculture and Commerce Bank Limited**  
**Cash Flow Statement**  
**For the period ended 30 September 2020**

	Notes	January to September 2020 Taka	January to September 2019 Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		4,040,054,673	5,323,033,068
Interest payments		(3,310,433,710)	(2,959,635,990)
Dividend receipts		-	-
Income from investments		943,522,553	412,623,604
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		188,153,796	217,464,781
Cash payments to employees		(890,558,648)	(817,901,445)
Cash payments to suppliers		(127,851,092)	(261,990,163)
Income taxes paid	10.1	(456,298,674)	(507,882,016)
Receipts from other operating activities		70,177,476	66,066,834
Payments for other operating activities		(171,802,483)	(133,806,839)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>284,963,891</b>	<b>1,337,971,834</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Sale of trading securities		127,047	682,394
Purchase of trading securities		-	(495,590)
Loans and advances to other banks		-	80,000,000
Loans and advances to customers		(1,741,945,334)	(3,198,258,345)
Increase / decrease of other assets	37	(94,355,788)	(70,431,777)
Deposits from other banks		(3,270,841,884)	(240,317,997)
Deposits from customers		(1,143,313,345)	5,288,389,438
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38	1,874,263,871	71,651,104
		<b>(4,376,065,433)</b>	<b>1,931,219,227</b>
<b>Net cash from operating activities</b>		<b>(4,091,101,542)</b>	<b>3,269,191,061</b>
<b>B) Cash flows from investing activities</b>			
Proceeds from sale of Government securities		21,525,339,532	3,010,421,117
Payments for Purchase of Government securities		(16,636,578,259)	(7,314,455,373)
Purchase of property, plant and equipment		(1,191,981,862)	(81,519,747)
Sale of property, plant and equipment		-	-
<b>Net cash from investing activities</b>		<b>3,696,779,411</b>	<b>(4,385,554,003)</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		1,763,295,289	1,020,242,247
Dividends paid		-	-
Receipts from issue of ordinary share		-	-
<b>Net cash from financing activities</b>		<b>1,763,295,289</b>	<b>1,020,242,247</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>1,368,973,158</b>	<b>(96,120,695)</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>119,092,699</b>	<b>128,233,625</b>
<b>F) Cash and cash-equivalents at beginning period</b>		<b>11,453,493,030</b>	<b>11,127,233,779</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>12,941,558,887</b>	<b>11,159,346,709</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	831,755,255	794,104,101
Balances with Bangladesh Bank and its agent bank(s) including foreign	4	3,930,522,768	3,350,363,261
Balances with other Banks and Financial institutions	5	8,179,280,864	7,014,879,347
		<b>12,941,558,887</b>	<b>11,159,346,709</b>

Accompanying notes form an integral part of these financial statements.

Sd/- _____ Chairman	Sd/- _____ Director	Sd/- _____ Director	Sd/- _____ Managing Director & CEO
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**South Bangla Agriculture and Commerce Bank Limited**  
**Statement of Changes in Equity**  
**For the period ended 30 September 2020**

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2020	6,224,050,160	1,479,777,861	27,595,805	631,537,963	8,362,961,789
Prior period adjustment	-	-	-	-	-
Net profit for the period	-	-	-	645,750,561	645,750,561
Transfer to statutory reserve	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	17,253,145	-	17,253,145
Stock dividend issued	622,405,010	-	-	(622,405,010)	-
<b>Balance as on 30 September 2020</b>	<b>6,846,455,170</b>	<b>1,479,777,861</b>	<b>44,848,950</b>	<b>654,883,514</b>	<b>9,025,965,495</b>
<b>Balance as on 30 September 2019</b>	<b>6,224,050,160</b>	<b>1,126,907,844</b>	<b>13,364,049</b>	<b>686,413,098</b>	<b>8,050,735,151</b>

These financial statements should be read in conjunction with the annexed notes.

Sd/-  
 \_\_\_\_\_  
 Chairman

Sd/-  
 \_\_\_\_\_  
 Director

Sd/-  
 \_\_\_\_\_  
 Director

Sd/-  
 \_\_\_\_\_  
 Managing Director & CEO

**South Bangla Agriculture and Commerce Bank Limited**  
**Liquidity Statement (asset and liabilities maturity analysis)**  
**As at 30 September 2020**

Particulars	Within one month	Within one to three months	Within three to twelve months	Within one to five years	More than five years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets:</b>						
Cash in hand (including foreign currencies)	831,755,255	-	-	-	-	831,755,255
Balance with Bangladesh Bank and its agent Banks	1,315,490,768	-	-	-	2,615,032,000	3,930,522,768
Balance with other banks & financial institutions	6,609,280,864	1,470,000,000	100,000,000	-	-	8,179,280,864
Money at call on short notice	-	-	-	-	-	-
Investments	500,951,079	52,292,298	1,969,006,580	979,684,771	7,016,054,460	10,517,989,188
Loans and advances	10,219,479,015	14,111,826,127	21,353,958,926	9,948,131,434	2,284,049,604	57,917,445,106
Fixed assets including premises, furniture and fixtures	19,336,502	38,673,004	174,028,516	1,167,757,461	-	1,399,795,482
Other assets	408,211,208	680,352,013	952,492,819	680,352,013	-	2,721,408,053
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>19,904,504,691</b>	<b>16,353,143,442</b>	<b>24,549,486,840</b>	<b>12,775,925,679</b>	<b>11,915,136,064</b>	<b>85,498,196,716</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	1,239,957,981	747,517,224	699,558,815	68,059,627	125,241,094	2,880,334,741
Deposits and other accounts	13,436,959,845	14,870,844,712	20,216,458,955	9,286,132,543	9,725,113,357	67,535,509,412
Provisions and other liabilities	821,919,815	690,272,120	1,152,857,676	1,055,227,951	2,336,109,506	6,056,387,068
<b>Total Liabilities</b>	<b>15,498,837,641</b>	<b>16,308,634,056</b>	<b>22,068,875,446</b>	<b>10,409,420,121</b>	<b>12,186,463,957</b>	<b>76,472,231,221</b>
<b>Net liquidity surplus</b>	<b>4,405,667,049</b>	<b>44,509,386</b>	<b>2,480,611,394</b>	<b>2,366,505,558</b>	<b>(271,327,893)</b>	<b>9,025,965,495</b>
<b>Cumulative liquidity surplus</b>	<b>4,405,667,049</b>	<b>4,450,176,436</b>	<b>6,930,787,830</b>	<b>9,297,293,388</b>	<b>9,025,965,495</b>	

**South Bangla Agriculture and Commerce Bank Limited**  
**Notes to the Financial Statements**  
**as at and for the year ended 30 September 2020**

**1 General information**

**1.1 Status of the bank**

South Bangla Agriculture and Commerce Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability by shares as on February 20, 2013 under the Companies Act 1994 to carry out banking business. It obtained license from Bangladesh Bank for carrying out banking business on March 25, 2013 under Bank Company Act 1991. The Bank has been carrying out its business through its eighty two (82) branches and six (6) sub-branches all over Bangladesh. The registered office of the Bank is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh.

**1.2 Principal activities**

The principal activities of the Bank are to provide a comprehensive range of financial services; personal and commercial banking, trade services, cash management, treasury operation, security and custody services.

**2 Basis of preparation of financial statements and significant accounting policies**

**2.1 Changes in significant accounting policies**

Except for the changes below, the Bank has consistently applied the accounting policies to all periods presented in these financial statements.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Bank has initially adopted IFRS 16 Leases from 1 January 2020. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Bank as a lessee, has recognised right-of-use assets representing its' rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. The Bank has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised at 1 January 2020. Accordingly, the comparative information presented for the year ended 31 December 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

**2.2 Basis of preparation of financial statements**

The financial statements of the Bank as at 30 September 2020 have been prepared on going concern basis under historical cost convention and in accordance with the "First Schedule" of the Bank Companies Act, 1991 as amended by BRPD Circular No. 14 dated 25th June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS) the Companies Act 1994, the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as Banks. The Bank Company Act 1991 has been amended to require Banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. In case of any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank prevailed. Material departures from the requirements of IFRS are as follows:

**i) Investment in shares and securities**

**IFRS:** As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" 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 other comprehensive income respectively.

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

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

**IFRS:** As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are 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 on amortization are recognized in other reserve as a part of equity.

**iii) Repo and reverse repo transactions**

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

**Bangladesh Bank:** As per Department of Off-Site Supervision (DOS) Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognised in the seller's book and recognised in the buyer's book.

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

**IFRS:** As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

**Bangladesh Bank:** As per BRPD circular No.24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No.4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 & BRPD circular no. 16 dated 18 November 2014, 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 time past due. 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.

**v) Recognition of interest in suspense**

**IFRS:** Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified as impaired, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as a liability in the balance sheet.

**vi) 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.

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

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

**viii) Financial guarantees**

**IFRS:** As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD Circular No. 14 dated 25th June 2003, financial guarantees such as letters of credit, letters of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments).

**ix) Cash and cash equivalents**

**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 on short notice, treasury bills with maturity of more than three months and prize bond are not shown as cash and cash equivalents. Money at call on short notice is shown separately in the balance sheet. Treasury bills with maturity of more than three months and prize bond are shown under investment in the balance sheet.

**x) Non-banking asset**

**IFRS:** No indication of Non-banking assets is found in any IFRS.

**Bangladesh Bank:** As per BRPD 14, there is a separate balance sheet item named Non-banking assets existed in the standard format.

**xi) 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 Circular No. 14 dated 25th June 2003, cash flow is the mixture of direct and indirect methods.

**xii) 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.

**xiii) Presentation of intangible assets**

**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 Circular No. 14 dated 25th June 2003.

**xiv) 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 Circular No. 14 dated 25th June 2003, off balance sheet items (e.g. Letters of credit, Letters of guarantee etc.) must be disclosed separately on the face of the balance sheet.

**xv) Loans and advances net of provision**

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

**Bangladesh Bank:** As per BRPD Circular No. 14 dated 25th June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

**xvi) Disclosure of appropriation of profit**

**IFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

#### xvii) Presentation of Financial Statements

**IFRS:** As per IAS 1 : As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

**Bangladesh Bank:** A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the “First Schedule” of section 38 of the Bank Company Act 1991, as amended and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and noncurrent heading in the prescribed format of financial statements.

#### 2.2.1 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation over the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The management of the Bank believed that key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the bank continued to demonstrate a healthy trend for a couple of years. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the bank’s ability to continue as a going concern.

#### 2.3 Use of estimates and judgment

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. Revisions to accounting estimates are recognised in the periods in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

1. Provisions on loans and advances
2. Income tax provision

#### 2.4 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS – 1 and IAS – 8, the Bank discloses its information consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies, correction of errors, the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS – 8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

#### 2.5 Foreign currency transactions

##### a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The financial statements of the Bank are presented in Bangladeshi Taka which is the Bank’s functional and presentation currency.

##### b) Foreign currencies translation

Amounts in foreign currency are translated in accordance with the principles set forth in IAS 21 - “The Effects of Changes in Foreign Exchange Rates”. As per this standard monetary items not denominated in BDT and cash transactions not completed at the reporting date are translated into BDT using current market rates. Non-monetary items carried at fair value are translated into BDT using current market price at the reporting date and non-monetary items carried at cost are translated using the rate applicable at the time of acquisition. Transaction rates are used to translate the items related to income and expenses.

##### c) Commitments

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

##### d) Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

## 2.6 Cash flow statement

The cash flow statement has been prepared in accordance with IAS 7, Cash Flow Statements considering the requirements specified in BRPD circular No. 14 dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

## 2.7 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth during the year.

## 2.8 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as provided in the statement.

## 2.9 Reporting period and comparatives

These financial statements cover interim period of 09 months from 1 January to 30 September 2020 and the related comparatives are the same period of last year i.e. 1 January to 30 September 2019 except comparative balance sheet which is presented as on 31 December 2019.

## 2.10 Mandate for interim financial reporting

The Bank has prepared interim Financial statements as at 30 September 2020 for submission of/filing for initial public offering (IPO) according to requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. However, Financial statements have been prepared complying IAS 34 except Condensed and explanatory notes.

## 2.11 Investment in Govt. Securities

In accordance with Bangladesh Bank guideline the Bank has classified investment into the following categories :

- Held to Maturity (HTM)
- Held for Trading (HFT)

In accordance with DOS circular No.05 (26 May 2008) and DOS circular 5 (28 January 2009) treasury securities held for Statutory Liquidity Ratio (SLR) compliance could be classified as either HTM or HFT. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity. Coupon interest on HTM securities is recognised in profit and loss account. HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account.

## 2.12 Investment in quoted / unquoted securities

The investment in quoted shares are revalued as per market price in the stock exchange(s). The Bank's investments in shares (unquoted) are recorded at cost and income thereon is accounted for when the right to receive payment is established. Provisions are made for any loss arising from diminution in value of investments. Bonus share in their own self will have no value as the fair value of each shareholder's interest should be unaffected by the bonus issue, hence no accounting entries are passed in the book for bonus share received.

## 2.13 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business.

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

## 2.14 Provisions on loans and advances

At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019) and BRPD circular No.3 (21 April 2019), BRPD circular No.1 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates for general provision is 1% to 5% and specific provision is 5% to 100%.

The provisioning rates are as follows:

General provision on:	<b>2020</b>	<b>2019</b>
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance and on loans for professionals	1.00%	2.00%

Unclassified consumer financing other than housing finance and loans for professionals	5.00%	5.00%
Unclassified agricultural loans	1.00%	2.50%
Specific provision on:		
Substandard loans and advances/investments other than agricultural loans	20%	20%
Doubtful loans and advances/investment other than agricultural loans	50%	50%
Substandard and doubtful agricultural loans	5%	5%
Bad/loss and advances/investments	100%	100%

BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) also provides scope for further provisioning based on qualitative judgments. In these circumstances impairment losses are calculated on individual loans considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach, the higher of the two is recognised in liabilities under “Provision for loans and advances” with any movement in the provision charged/released in the profit and loss account. Classified loans are categorised into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

#### **Loan write-off**

Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013) and BRPD circular No.2 (13 January 2003). A separate Debt Collection Unit (DCU) has been set up which monitors loans written off and legal action taken through the money loan court. These write-offs do not undermine or affect the amount claimed against the borrower by the Bank.

The DCU maintains a separate record for all individual cases written off by each branch. The DCU follow-up on the recovery efforts of these written off loans and reports to management on a periodic basis. Written off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

#### **2.15 Property, plant and equipment**

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 “Property, Plant and Equipment”. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

b) Depreciation is charged for the period at the following rates using straight-line method on all fixed assets:

Category of fixed assets	Rate
Motor vehicles	20%
Machinery & equipments	20%
Furniture & Fixture	10%
Interior Decoration	10%
Computer & Accessories	20%
Software	20% or for remaining usable periods
Other tools	20%

c) For additions during the period, depreciation is charged from the month those have been booked and for disposal depreciation is charged up to the previous month of disposal.

d) On disposal of fixed assets, the book value of the assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the book value of the asset and net sale proceeds.

e) Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset have been capitalized as part of the cost of the asset as per IAS 23.

#### **2.16 Intangible asset**

An intangible asset is to be recognized only if it is probable the future economic benefits attributable to the asset will flow to the bank and the cost of the asset can be measured reliably. Recognition & measurement of intangible asset are guided by IAS 38 – “Intangible Asset”. Due to following BRPD circular no. 14 dated 25th June 2003 intangible assets are not disclosed in a separate line rather in is reported under fixed assets. However, separate line item along with the rate of amortization is identifiable in the detail schedule of fixed assets.

#### **2.17 Provisions for other assets**

BRPD circular No.14 (25 June 2001) requires a provision of 100% on relevant other assets which are outstanding for one year and above. The Bank maintains provision in line with this circular unless no provision is required based on objective assessment.

**Provisions on balances with other banks and financial institutions (Nostro accounts)**

Provisions for unsettled transactions on nostro accounts made are reviewed on a quarterly basis by management and certified by the Bank's external auditors on a semi-annual basis in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) circular No. 677 (13 September 2005).

**Provisions for off balance sheet exposures**

As per BRPD circular No.14 (23 September 2012) the Bank has recognised 1% General Provision on the following off balance sheet exposures as defined in BRPD circular No.10 (24 November 2002) considering the exemption as provided through BRPD circular No.01 (03 January 2018), BRPD circular No.7 (21 June 2018) and BRPD circular No.13 (18 October 2018).

- Acceptance and endorsements
- Letters of guarantee
- Irrevocable letters of credit

**2.18 Non banking assets**

There are no assets acquired in exchange for loan during the period of financial statements.

**2.19 Securities purchased under re-sale agreement**

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The amount lent is shown as an asset either as loans and advances to customers or loans to other banks.

The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

**2.20 Reconciliation of inter-bank and inter-branch account**

Accounts with regard to inter-bank are reconciled regularly and there are no differences which may affect the financial statements significantly. Un-reconciled entries / balances in the case of inter-branch transactions as on the reporting date are Nil.

**2.21 Statutory reserve**

Bank Company Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

**2.22 Other reserve**

Other reserve comprises investment revaluation reserve and fixed assets revaluation reserve. When carrying amount of an item of property, plant and equipment is increased as a result of revaluation, the increased amount is classified directly to equity under heading of assets revaluation reserve as per IAS 16 – "Property, Plant and Equipment". As per Bangladesh Bank DOS circular no. 5 dated 26th May 2008, revaluation gain arising from revaluation of government securities under HFT category is kept directly in equity under revaluation gain account which is disclosed with other reserve while preparing the financial statements.

**2.23 Deposits and other accounts**

Deposits by customers and banks are recognized when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

**2.24 Borrowings from other banks, financial institutions and agents**

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the profit and loss account.

**2.25 Basis for valuation of liabilities and provisions****2.26 Employees benefits****a. Short term benefits**

Short-term benefits are employee benefits which fall due wholly within twelve month after the end of the period in which the employees render the related service. The Bank provides various short term benefits to its employees like incentive bonus, leave fare assistance etc.

**b. Provident fund**

The benefits of provident fund are given to the employees of the Bank in accordance with the Provident Fund Rules as per section 2(52) of Income Tax Ordinance, 1984. The Provident Fund was recognized by National Board of Revenue on 12th May 2015 Ref: VOBI:TA:ANU:(SBAC/BRIKU/2014-2015/1105(5)). Separate bank account is maintained to manage the fund. All confirmed employees of the Bank contribute 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount to the Fund. Interest earned from the investments of fund is credited to the members' accounts on yearly basis.

**c. Gratuity**

As per the Employees Service Rules of the Bank, gratuity shall be admissible to all regular employees who have completed continuous service for a period of 7 (seven) years in the Bank but in case of experienced banker recruited through head hunting the admissible period is 5 (five) years. The amount of gratuity shall be calculated at the rate of 2 (two) months' last drawn basic pay for each completed years of service. The Bank is developing the fund to meet up its future obligation. National Board of Revenue recognized the gratuity fund on 10 April 2016.

**d. Other benefits**

Other benefits include house building, consumer finance and car loan at a concessional rate.

**2.27 Provision for liabilities**

Provision are 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 IAS 37 - "Provisions, Contingent Liabilities and Contingent Assets".

**2.28 Provision for Off-balance sheet items:**

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. Provision @1% against off-balance sheet exposures (L/Cs and Guarantees etc) in addition to the existing provisioning arrangement is made as per BRPD Circular No. 14 dated 23rd September, 2012 and BRPD Circular No. 07 dated 21 June 2018.

**2.29 Provision for current taxation**

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2020 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with IAS 12 - "Income Taxes".

**2.30 Provision for deferred tax**

Deferred tax is accounted for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

**2.31 Revenue recognition**

The various types of revenue are recognised by the Bank under the following ways:

**2.32 Interest income**

In terms of the provision of the IFRS 9 – "Financial Instruments" the interest income is recognized on accrual basis. In accordance with BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) interest accrued on sub-standard loans and doubtful loans are credited to an "Interest Suspense Account" which is included within "Other liabilities". Interest from loans and advances ceases to be accrued when they are classified as bad/loss. It is then kept in interest suspense in a memorandum account. Interest received on sub-standard loans, doubtful loans and bad/loss loans are retained in the "Interest Suspense Account" until the loan is no longer considered to be impaired.

**2.33 Investment income**

Interest income on investments in government and other securities and bonds is accounted for on an accrual basis and as per Bangladesh Bank guidelines.

**2.34 Fees and commission income**

The Bank earns commission and fee income from a diverse range of services provided to its customers. Commission and fee income is accounted for as follows:

- income earned on the execution of a significant act is recognised as revenue when the act is completed.
- income earned from services provided is recognised as revenue.

**2.35 Dividend income on shares**

Dividend income is recognised when the right to receive payment is established.

**2.36 Interest paid on borrowings and deposits**

Interest paid on borrowings and deposits is calculated on daily basis and recognized on accrual basis.

**2.37 Management and other expenses**

Expenses incurred by the Bank are recognized on accrual basis whenever necessary.

**2.38 Risk management****2.38.1 Internal Control and Compliance Management**

Operational loss may arise from error and fraud due to weakness of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodic and special audit of the branches and departments at Head Office for review of the operation and compliance with statutory requirements. The Audit Committee of the Board reviews the reports of the Internal Control and Compliance Division.

### **2.38.2 Foreign Exchange Risk Management**

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the Back Office of treasury is responsible for verification of the deals and recording of their entries in the books of account. All foreign exchange transactions are revalued at Mark to Market rate at the month end. All Nostro accounts are reconciled on monthly basis and outstanding entries are reviewed on regular basis.

### **2.38.3 Credit Risk Management**

Credit Risk is defined as potential loss arising from the failure of a counter-party to meet financial obligations as per contractual agreement with the Bank. Bank manages credit risk meticulously. The Bank extends credit facilities to different clients in different sectors after ensuring due diligence and mitigating risk factors as per guidelines set by Bangladesh Bank, the Board of Directors and Management Credit Committee of the Bank.

The Bank has segregated duties of the executives/officers involved in credit related activities. A separate marketing division is there at Head Office entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed namely Credit Risk Management Division, Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risks involved in lending, sanctioning credit and formulating policies/strategies for lending operation. Credit Risk Grading (CRG) is also made for individual borrowers.

### **2.38.4 Asset Liability Management**

The Asset Liability Committee (ALCO) of the Bank monitors market risks and liquidity risks of the Bank. The market risks emanate from potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews liquidity requirements of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategies and the liquidity contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NII), return on assets, investment value and exchange earnings. The ALCO also monitors the Capital Adequacy Ratio on monthly/quarterly basis.

### **2.38.5 Money Laundering Risk Management**

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer at Head Office and Branch Anti Money Laundering Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been compiled and transaction profile has been introduced. Training has been continuously imparted to all categories of officers and executives for developing awareness and skills for identifying suspicious activities.

### **2.38.6 Information and Communication Technology Security Risk Management**

Transformation of business processes in response to technology-driven customers' needs and services has brought in tremendous change in information technology platform in the bank. The bank has adopted measures to protect the information and communication platform from unauthorized access, modification, virus, disclosure and destruction in order to ensure business continuity, data safety and security thereby protecting customers' interest at large.

### **2.38.7 Internal Audit Management**

Internal audit is an independent, objective assurance and consulting activity designed to add value and to detect human errors and non-compliance with Internal Control Procedures. The bank has formed an Internal Audit Department under Internal Control & Compliance Division which are conducting internal audit on a regular basis of every branch and division at Head Office and report the findings to the Audit Committee of the Board of Directors. The Audit Department takes necessary steps to regularize the irregularities detected at the time of audit.

### **2.38.8 Fraud and Forgeries Management**

The Internal Control and Compliance Division takes initiatives for preparing guidelines / instructions on a regular basis to prevent and detect frauds & forgeries. The ICCD communicate the guidelines / instructions to the branches and divisions at Head Office on a regular basis. The division is constantly monitoring and supervising for compliance with the guidelines / instructions so that the occurrence of fraud & forgeries comes to nil.

### **2.39 Earnings per share (EPS)**

Earnings per share (EPS) have been calculated in accordance with IAS 33 – “Earnings per Share”, which is shown on the face of the Profit & Loss Account. This has been calculated by dividing the net profit after tax by the number of ordinary shares outstanding as on 30 September 2020.

No diluted earnings per share are required to be calculated for the period, as there was no element or scope for dilution during the period under review.

### **2.40 Off-setting financial assets and financial liabilities**

Financial assets and financial liabilities are set off and the net amount reported in the Balance Sheet when and only when the Bank has a legal right to offset the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains or losses arising from a group of similar transactions.

#### 2.41 Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

While implementation IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset. Immovable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

Nevertheless, as a first step the Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement and considered lease of 'ATM Booths and other installations' as low value asset. Thereafter, the Bank has reviewed lease arrangements for 'office premises' for consideration under IFRS 16.

#### 2.42 COVID 19

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, 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 are adversely affected which also impacted the Company. Although the business operation and profitability of the Company are impacted due to COVID 19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID 19 related matters on the Company's operation and financial results cannot be reasonably assessed. Overall banking cash flow has been affected negatively due to Non-Classification period of Loans and Advances set by the Central Bank. Borrowers won't be willing to repay the instalment as their credit facilities cannot be downgraded by the Banks. The effect of cap on Lending interest rate brings down the Spread between Lending and Borrowing rate and eventually the profit will decline and cost income ratio will rise. Although the full extent of Corona virus pandemic cannot yet be predicted and overall Business might not be improved if the pandemic situation sustains.

Government of Bangladesh has announced a number of stimulus packages for different sectors and beneficiaries including Stimulus package of BDT 5,000 crore for payment of wages and salaries of export-oriented industries. Stable bond market has ample opportunity for the year 2020 which evidence from monitoring policy of Bangladesh Bank. The Bank has taken few steps for cost curtail strategy such reduction of rent, business promotion expenses and unwanted expense to cope with notional strategy without having any effect of employees benefit at large scale. So far above analysis and assessment, Board of Director presume that Bank will continue its business for the foreseeable future without any curtail of operation or segment.

#### 2.43 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2019 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB vide letter 1/1/ICAB-2017 decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on these financial statements.

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

##### (a) IFRS 17 Insurance contract

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

	2020 Taka	2019 Taka
<b>3. Cash in hand (including foreign currencies)</b>		
Local currency	824,307,372	747,469,917
Foreign currencies	7,447,883	11,779,830
	<b>831,755,255</b>	<b>759,249,747</b>
<b>4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)</b>		
Bangladesh Bank		
In local currency	3,808,814,454	3,531,505,377
In foreign currencies	121,708,314	145,840,754
	3,930,522,768	3,677,346,131
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<b>3,930,522,768</b>	<b>3,677,346,131</b>

#### 4.1 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Company Act, 1991 (amended up to 2018) and of instructions contained in DOS Circular No. 01 dated 19 January, 2014 and MPD Circular No. 03 dated 09 April, 2020 issued by Bangladesh Bank.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 4.00% (2019 : 5.50%) has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of unencumbered treasury bills and bonds, cash in hand and daily excess of Cash Reserve. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

##### 4.1.1 Cash Reserve Requirement (CRR) : 4.00% (2019 : 5.50%) of average demand and time liabilities

<b>Required reserve</b>	<b>2,615,032,000</b>	<b>3,445,559,053</b>
Actual reserve maintained		
Balance with Bangladesh Bank - local currency	2,955,199,770	3,518,927,127
<b>Surplus / (deficit)</b>	<b>340,167,770</b>	<b>73,368,074</b>
<b>Maintained ratio</b>	<b>4.52%</b>	<b>5.62%</b>

The above balance with Bangladesh Bank represents amount as per Bangladesh Bank Statements. The difference between balance with Bangladesh Bank as per Bank Book and as per Bangladesh Bank Statements are due to reconciling items those are not material and most of the items are subsequently adjusted.

##### 4.1.2 Statutory Liquidity Ratio (SLR) : 13% of average demand and time liabilities

<b>Required reserve</b>	<b>8,498,854,000</b>	<b>8,144,048,671</b>
Available for maintenance :		
Cash in hand (including foreign currencies)	831,755,255	759,249,747
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	340,167,770	73,368,074
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	10,516,344,109	15,032,692,247
	11,688,267,134	15,865,310,068
<b>Surplus / (deficit)</b>	<b>3,189,413,134</b>	<b>7,721,261,397</b>
<b>Maintained Ratio</b>	<b>17.88%</b>	<b>25.33%</b>
<b>Average time and demand liabilities</b>	<b>65,375,798,000</b>	<b>62,646,528,240</b>

## 5. Balance with other banks and financial institutions

In Bangladesh (note 5.1)  
Outside Bangladesh (note 5.2)

2020 Taka	2019 Taka
7,937,790,884	6,414,432,491
241,489,980	602,464,661
<b>8,179,280,864</b>	<b>7,016,897,152</b>

### 5.1 In Bangladesh

#### Balance with other banks :

##### In current deposit accounts with

Sonali Bank Limited  
Dutch Bangla Bank Limited  
Eastern Bank Limited

35,767,939	64,277,126
2,407	4,075
4,143,824	6,149,849
<b>39,914,170</b>	<b>70,431,050</b>

##### In special notice deposit accounts with

Janata Bank Limited  
Eastern Bank Limited  
Sonali Bank Limited  
Mercantile Bank Limited  
Bank Asia Limited  
Standard Bank Limited  
Jamuna Bank Limited  
Al-Arafa Islami Bank Limited  
Trust Bank Limited  
Union Bank Limited  
IFIC Bank Limited  
Rupali Bank Limited

2,224,199,745	130,183,167
14,173,353	173,353
2,059,579,014	27,027,133
139,751	134,913
26	26
88,567	91,496
18,318	18,151
14,945	16,648
5,424,399	10,594,406
1,600,679	93,151
3,127,626	88,180
610,291	1,580,817
<b>4,308,976,714</b>	<b>170,001,441</b>

##### In fixed deposit accounts with

Mutual Trust Bank Limited  
Meghna Bank Limited  
Modhumoti Bank Limited  
Jamuna Bank Limited  
AB Bank Limited

-	1,000,000,000
100,000,000	-
200,000,000	-
-	1,000,000,000
-	500,000,000
<b>300,000,000</b>	<b>2,500,000,000</b>

#### Balance with financial institutions :

Lanka Bangla Finance Limited  
Phoenix Finance Limited  
International Leasing & Financial Services Limited  
Uttara Finance Limited  
Prime Finance & Investment Limited  
IDLC Finance Limited  
Industrial & Infrastructure Development Finance Company Ltd.  
Fareast Finance and Investment Limited  
FAS Finance Limited  
Premier Leasing and Finance Limited  
Union Capital Limited  
IPDC Finance Limited  
Bangladesh Finance and Investment Company Ltd.  
Bay Leasing & Investment Limited  
Hajj Finance Company Limited  
National Housing Finance and Investment Limited

-	200,000,000
229,800,000	239,000,000
578,500,000	579,900,000
40,000,000	500,000,000
500,000	4,000,000
320,000,000	100,000,000
230,000,000	500,000,000
257,500,000	261,100,000
264,300,000	264,300,000
131,400,000	131,800,000
182,900,000	185,400,000
150,000,000	-
234,000,000	238,500,000
80,000,000	80,000,000
90,000,000	90,000,000
500,000,000	300,000,000
<b>3,288,900,000</b>	<b>3,674,000,000</b>
<b>7,937,790,884</b>	<b>6,414,432,491</b>

Due to severe impact of Covid 19, Government has taken various measures to facilitate the affected NBFIs to regenerate its regular operation. The Bank assess the recoverability of the balance of the NBFIs and conclude that no additional impairment provision is required. However, using prudence, the Bank has not accrued interest for the period if not realized.

In addition to above, Banker's meeting held on January 14, 2020 [Letter Ref. BRPD (P-2)/748/2020-1541 dated February 09, 2020] presiding by the honorable Governor of Bangladesh Bank, decided that Bank will not encash their deposits with FI before maturity as well as they should keep assisting FIs by renewing their existing investment to the affected FI.

## 5.2 Outside Bangladesh

### In demand deposit accounts (non-interest bearing) with

Particulars	Currency	2020			2019		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreq Bank PSC, New York	USD	1,213,021	84.80	102,864,213	5,176,121	84.90	439,452,654
AB Bank, Mumbai	ACU	237,222	84.80	20,116,411	230,518	84.90	19,570,966
United Bank of India, Kolkata	ACU	23,375	84.80	1,982,216	78,506	84.90	6,665,176
National Bank of Pakistan, Tokyo	JPY	4,627,817	0.8149	3,771,083	2,377,119	0.78	1,849,399
Mashreq Bank PSC, London	GBP	-	108.88	-	83	111.33	9,227
Sonali Bank Ltd. Kolkata	ACU	220,035	84.80	18,658,999	260,547	84.90	22,120,441
Habib American Bank, NY	USD	816,415	84.80	69,231,997	807,201	84.90	68,531,380
Habib Metropolitan Bank Ltd., Karachi	ACU	8,694	84.80	737,253	145,600	84.90	12,361,399
AXIS Bank Ltd., Mumbai	ACU	145,656	84.80	12,351,612	296,139	84.90	25,142,162
Sonali Bank (UK) Ltd.	USD	3,524	84.80	298,798	3,523.56	84.90	299,150
Sonali Bank (UK) Ltd.	GBP	10,253	108.88	1,116,366	3,598.00	111.33	400,563
Sonali Bank (UK) Ltd.	EURO	30,199	99.51	3,005,204	11,799.78	95.09	1,122,017
Koomin Bank, Seoul	USD	86,743	84.80	7,355,828	58,187.60	84.9000	4,940,127
				<b>241,489,980</b>			<b>602,464,661</b>
<b>In demand deposit accounts (interest bearing)</b>				-			-
<b>Total Outside Bangladesh</b>				<b>241,489,980</b>			<b>602,464,661</b>

## 5.3 Maturity grouping of balance with other banks and financial institutions

On demand	315,500,000	672,895,711
Within one month	6,293,780,864	4,804,001,441
Within one to three months	1,470,000,000	1,450,000,000
Within three to twelve months	100,000,000	90,000,000
Within one to five years	-	-
More than five years	-	-
	<b>8,179,280,864</b>	<b>7,016,897,152</b>

## 6. Money at call on short notice

### With banks

- -

### With non bank financial institutions

- -

- -

	2020 Taka	2019 Taka
<b>7. Investments</b>		
<b>Government securities</b>		
<b>Treasury bills</b>		
91-day treasury bills	399,444,800	4,353,427,881
182-day treasury bills	1,282,003,380	-
364-day treasury bills	786,864,400	935,455,500
30-day Bangladesh Bank bills	-	-
	<b>2,468,312,580</b>	<b>5,288,883,381</b>
<b>Treasury bonds</b>		
2-Year treasury bonds	70,672,061	52,292,298
3-Year treasury bonds	120,000,000	120,000,000
5-Year treasury bonds	273,978,006	221,952,981
10-Year treasury bonds	1,798,132,044	1,547,628,727
15-Year treasury bonds	3,097,693,727	4,159,558,347
20-Year treasury bonds	2,687,555,691	3,642,376,513
	<b>8,048,031,529</b>	<b>9,743,808,866</b>
<b>Total treasury bills and bonds</b>	<b>10,516,344,109</b>	<b>15,032,692,247</b>
Prize bonds	1,493,400	1,721,700
<b>Total Government securities</b>	<b>10,517,837,509</b>	<b>15,034,413,947</b>
<b>Other investments (note 7.3)</b>	151,679	195,470
	<b>10,517,989,188</b>	<b>15,034,609,417</b>
<b>7.1 Classification of investments</b>		
Government treasury bills and bonds		
Held for Trading (HFT)	2,672,924,302	6,326,179,508
Held to Maturity (HTM)	7,843,419,807	8,706,512,739
<b>Total investments in government securities</b>	<b>10,516,344,109</b>	<b>15,032,692,247</b>
Prize bonds	1,493,400	1,721,700
Reverse-REPO with Bangladesh Bank	-	-
Other investments (note 7.3)	151,679	195,470
	<b>10,517,989,188</b>	<b>15,034,609,417</b>
<b>7.2 Maturity grouping of investments</b>		
On demand	1,493,400	1,721,700
Within one month	499,457,679	1,772,927,231
Within one to three months	52,292,298	2,580,696,120
Within three to twelve months	1,969,006,580	935,455,500
Within one to five years	979,684,771	1,172,731,066
More than five years	7,016,054,460	8,571,077,800
	<b>10,517,989,188</b>	<b>15,034,609,417</b>
<b>7.3 Other investments</b>		
Investment in quoted shares as on 30 September 2020		

Name	No. of Shares	Avg. cost per share	Total Cost	Market Value
Coppertech Industries Limited	2,371	9.52	22,581	50,028
Newline Clothings Limited	6,038	9.35	56,439	96,004
Silco Pharmaceuticals Limited	7,992	9.09	72,659	184,615
			<b>151,679</b>	<b>330,647</b>

#### 7.4 Disclosure for REPO and Reverse REPO transactions

In terms of the instructions contained in DOS Circular No. 6 dated 15 July 2010, the disclosure requirements for REPO and Reverse REPO transactions of the Bank are furnished below :

##### 7.4.1 Disclosure regarding outstanding REPO as on 30 September 2020

Sl. No.	Name of the counterparty	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	Uttara Bank Limited	30 September 2020	07 October 2020	1,006,022,940
2	Mutual Trust Bank Limited	29 September 2020	06 October 2020	2,037,616,960
3	Uttara Bank Limited	28 September 2020	05 October 2020	1,198,315,050
4	Agrani Bank Limited	27 September 2020	04 October 2020	818,386,640
5	Uttara Bank Limited	24 September 2020	01 October 2020	499,306,000
6	Agrani Bank Limited	24 September 2020	01 October 2020	499,030,500

7.4.2 Disclosure regarding outstanding Reverse REPO as on 30 September 2020

Sl. No.	Name of the counterparty	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
-	-		-	-

7.4.3 Disclosure regarding overall transactions of REPO and Reverse REPO for the year ended 30 September 2020

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
	Taka	Taka	Taka
<b>Securities sold under repo :</b>			
i) with Bangladesh Bank			
ii) with other banks & FIs	392,820,000	6,535,803,000	2,826,600,000
<b>Securities purchased under reverse repo</b>			
i) with Bangladesh Bank			
ii) with other banks & FIs	243,240,166	2,462,215,906	929,739,444

	2020 Taka	2019 Taka
<b>8. Loans and advances</b>		
Loans , cash credit, overdrafts etc. (note 8.1)	56,680,687,384	54,658,125,375
Bills purchased and discounted (note 8.2)	1,236,757,722	1,342,612,104
	<b>57,917,445,106</b>	<b>56,000,737,479</b>
<b>8.1 Loans , cash credit, overdrafts etc.</b>		
<b>In Bangladesh:</b>		
<b>Overdrafts</b>	<b>17,580,687,769</b>	<b>19,003,344,229</b>
<b>Cash credit :</b>		
General cash credit	6,382,918,410	6,376,719,843
Agriculture cash credit	183,069,886	177,292,832
SME cash credit	10,175,776,574	10,500,487,009
	<b>16,741,764,870</b>	<b>17,054,499,684</b>
<b>Loans :</b>		
Loans against trust receipt	3,025,574,145	3,284,252,032
Export packing credit	14,673,382	84,230,963
Payment against document	275,033,252	161,140,771
Time loans	2,137,995,251	1,979,259,784
EDF loans	1,841,997,472	1,120,553,025
Demand loans	1,131,240,422	123,775,914
Lease finance	464,680,001	455,873,577
House building finance	727,735,223	745,077,449
General term loans	9,327,930,402	7,975,272,395
SME term loans	2,531,422,059	1,846,477,608
Agriculture term loans	91,885,712	100,576,736
Short term micro credit	774,826	2,423,500
Personal loans	85,602,934	81,783,279
Auto loans	27,475,217	11,593,882
Credit Card	205,512,614	208,257,935
Block account for rescheduled loan	36,905,920	19,075,318
Staff loans	431,795,913	400,657,294
	<b>22,358,234,745</b>	<b>18,600,281,462</b>
	<b>56,680,687,384</b>	<b>54,658,125,375</b>
<b>Outside Bangladesh</b>	-	-
	<b>56,680,687,384</b>	<b>54,658,125,375</b>
<b>8.2 Bills purchased and discounted</b>		
<b>Payable in Bangladesh</b>		
Inland bills purchased and discounted	773,199,906	928,254,026
<b>Payable outside Bangladesh</b>		
Foreign bills purchased and discounted	463,557,816	414,358,078
	<b>1,236,757,722</b>	<b>1,342,612,104</b>
<b>8.3 Maturity grouping of loans and advances including bills purchased and discounted</b>		
On demand	5,925,730,411	5,749,210,416
Within one month	4,293,748,604	4,151,758,464
Within one to three months	14,111,826,127	13,645,064,907
Within three to twelve months	21,353,958,926	20,626,710,038
Within one to five years	9,948,131,434	9,619,185,296
More than five years	2,284,049,604	2,208,808,358
	<b>57,917,445,106</b>	<b>56,000,737,479</b>
<b>8.4 Loans and advances including bills purchased and discounted are classified into following broad categories</b>		
<b>(a) Loans and advances (note 8.1)</b>		
<b>In Bangladesh</b>		
Loans	22,358,234,745	18,600,281,462
Cash credit	16,741,764,870	17,054,499,684
Overdraft	17,580,687,769	19,003,344,229
	<b>56,680,687,384</b>	<b>54,658,125,375</b>
<b>Outside Bangladesh</b>	-	-
	<b>56,680,687,384</b>	<b>54,658,125,375</b>
<b>(b) Bills purchased and discounted (note 8.2)</b>		
In Bangladesh	773,199,906	928,254,026
Outside Bangladesh	463,557,816	414,358,078
	<b>1,236,757,722</b>	<b>1,342,612,104</b>
	<b>57,917,445,106</b>	<b>56,000,737,479</b>

#### 8.5 Loans and advances including bills purchased and discounted on the basis of significant concentration

i. Loans and advances to Directors of the bank	665,645,652	620,104,240
ii. Loans and advances to CEO and other senior executives	234,028,114	235,701,980
iii. Staff loans other than in sl. no. ii	197,767,800	164,955,314
iv. Loans and advances to customers' group	56,820,003,540	54,979,975,945
	<u>57,917,445,106</u>	<u>56,000,737,479</u>

#### iv. Disclosure on large loans

Disclosure on large loans i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital (Tier I + Tier II) of the Bank was Taka 9,292,610,353 as at 30 September 2020 and Taka 8,371,063,605 as at 31 December 2019.

(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital	18	20
(b) Amount of outstanding loans and advances to the clients mentioned in iv (a) above	13,648,535,742	14,372,432,688
(c) Amount of classified loans and advances out of the amount mentioned in iv (b) above	-	-
(d) Measures taken for recovery of the amount mentioned in iv (c) above	-	-

#### 8.6 Geographical location-wise loans and advances including bills purchased and discounted

##### Urban

Dhaka Division	32,077,510,667	30,672,488,835
Chattogram Division	7,110,481,404	6,751,873,757
Khulna Division	4,895,378,892	4,812,875,095
Rajshahi Division	1,966,948,745	1,881,611,812
Barishal Division	1,233,083,769	1,249,631,480
Sylhet Division	167,161,926	187,684,492
Rangpur Division	1,365,413,429	1,376,449,675
Mymensingh	26,451,968	9,139,006
	<u>48,842,430,800</u>	<u>46,941,754,152</u>

##### Rural

Dhaka Division	3,949,584,299	4,223,025,327
Chattogram Division	1,579,128,949	1,571,538,690
Khulna Division	2,885,401,169	2,718,672,007
Rajshahi Division	121,123,257	57,611,366
Barishal Division	283,650,020	287,559,165
Sylhet Division	125,958,859	131,300,524
Rangpur Division	130,167,753	69,276,248
	<u>9,075,014,306</u>	<u>9,058,983,327</u>
	<u>57,917,445,106</u>	<u>56,000,737,479</u>

#### 8.7 Industry-wise loans and advances including bills purchased and discounted

Agriculture, fisheries and forestry	1,337,498,371	889,376,946
Agro base processing industries	6,380,121,058	5,522,334,710
Small & medium enterprise financing (SMEF)	22,969,613,644	22,598,457,407
RMG & textile industries	6,270,458,678	5,668,953,340
Hospitals, clinics & medical colleges	430,768,579	431,070,328
Trade & commerce	4,057,091,795	4,059,933,749
Transport and communications	407,926,599	408,212,348
Rubber & plastic industries	1,158,891,024	1,159,702,816
Iron, steel & aluminium industries	1,731,083,595	1,732,296,203
Printing & Packaging industries	370,553,735	370,813,305
Other manufacturing industries	4,979,748,102	4,983,236,368
Housing & construction industries	596,200,098	596,617,731
Consumer credit	753,680,513	692,914,322
Others	6,473,809,315	6,886,817,902
	<u>64,738,009,315</u>	<u>64,738,009,315</u>
	<u>57,917,445,106</u>	<u>56,000,737,479</u>

#### 8.8 Broad economic sector-wise segregation of loans and advances including bills purchased and discounted

Government and autonomous bodies	-	-
Other public sector	-	-
Private sector	57,917,445,106	56,000,737,479
	<u>57,917,445,106</u>	<u>56,000,737,479</u>

### 8.9 Required provision for loans and advances including bills purchased and discounted

Particulars	Amount of outstanding loans and advances as at 30 September 2020	Base for Provision	Rate	Amount of required provision as at 30 September 2020	Amount of required provision as at 31 December 2019
<b>I) General provision :</b>					
a) Consumer finance	320,820,381	320,820,381	5.00%	16,041,019	14,683,402
b) Staff loans	431,795,913	-	0.00%	-	-
c) Housing finance	747,961,907	747,961,907	1.00%	7,479,619	7,677,662
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise finance	21,215,447,881	19,570,967,881	0.25%	48,927,420	53,094,548
f) Loans to BH, MB, SD, etc.	1,044,137,701	1,044,137,701	2.00%	20,882,754	19,097,513
g) Agricultural and micro credit	1,337,498,371	1,337,498,371	1.00%	13,374,984	8,893,769
h) Others	29,500,267,526	29,065,869,326	1.00%	290,658,693	280,476,243
	<b>54,597,929,680</b>	<b>52,087,255,567</b>		<b>397,364,489</b>	<b>383,923,138</b>
<b>II) Specific provision :</b>					
a) Sub-standard	662,053,783	190,021,416	5.00%	9,501,071	-
b) Sub-standard	187,559,774	71,151,823	20.00%	14,230,365	39,548,465
c) Doubtful	275,975,523	59,547,231	20.00%	11,909,446	-
d) Doubtful	103,531,428	15,863,113	50.00%	7,931,557	33,515,233
e) Bad / loss	2,090,394,918	1,224,118,706	100.00%	1,224,118,706	1,506,110,914
	<b>3,319,515,426</b>	<b>1,560,702,289</b>		<b>1,267,691,144</b>	<b>1,579,174,611</b>
<b>Total provision required</b>	<b>57,917,445,106</b>	<b>53,647,957,856</b>		<b>1,665,055,633</b>	<b>1,963,097,749</b>
<b>Total provision maintained</b>				<b>1,435,055,633</b>	<b>1,355,420,749</b>
<b>Provision to be maintained*</b>				<b>230,000,000</b>	<b>607,677,000</b>
<b>Surplus / (deficit)</b>				<b>-</b>	<b>-</b>

\* As per Bangladesh Bank letter (reference no. DBI-1/132/2020-1615) dated 24 June 2020, the Bank was allowed to maintain total provision of BDT 1,355.42 million in 2019 against total required provision of BDT 1,963.10 million and rest amount BDT 607.68 million is to be maintained equally for next three years that is 2020, 2021 and 2022. As on 30 September 2020 the Bank maintained total provision of BDT 1,435.06 against total required provision of BDT 1,665.06 million.

Considering the adverse impact on economy from COVID 19, Bangladesh Bank vide circular # 11 dated 3 May 2020 has advised Banks to transfer all interest charged or chargeable on outstanding loans and advances for the period from 1 April to 31 May 2020 to "interest free blocked account" without realizing those from clients and/or taking those to income. Subsequently, on 10 June 2020 vide BRPD Circular no 12, Bangladesh Bank has allowed banks to transfer interest from "interest-free blocked account" to income upon waiving certain portion of interest based on outstanding loan balances without downgrading any loans and advances.

### 8.10 Classification of loans and advances including bills purchased and discounted

	2020 Taka	2019 Taka
<b>Unclassified loans and advances (including staff loans)</b>		
i) Standard	53,186,814,058	50,086,747,391
ii) Special mention account (SMA)	1,411,115,623	2,505,040,343
	<b>54,597,929,681</b>	<b>52,591,787,734</b>
<b>Classified loans and advances</b>		
Sub-standard	849,613,557	684,919,918
Doubtful	379,506,951	335,724,182
Bad / loss	2,090,394,918	2,388,305,644
	<b>3,319,515,426</b>	<b>3,408,949,744</b>
<b>Total</b>	<b>57,917,445,107</b>	<b>56,000,737,479</b>

### 8.11 Particulars of loans and advances including bills purchased and discounted

i) Loans considered good in respect of which the banking company is fully secured	50,317,779,391	48,653,818,787
ii) Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	6,668,848,146	6,446,882,365
iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	930,817,569	900,036,327
iv) Loans adversely classified; provision not maintained there against	-	-
	<b>57,917,445,106</b>	<b>56,000,737,479</b>
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	1,097,441,566	1,020,761,534
vi) Loan due from 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	665,645,652	620,104,240

vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the banking companies or any of them either separately or jointly with any other persons	<u>1,097,441,566</u>	<u>1,020,761,534</u>
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firm in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	<u>665,645,652</u>	<u>620,104,240</u>
ix) Due from other banking companies	<u>-</u>	<u>-</u>
x) Classified loans and advances :		
(a) Amount of classified loan on which interest has not been charged	<u>3,319,515,426</u>	<u>3,408,949,744</u>
(b) (Decrease)/increase in specific provision	<u>66,193,533</u>	<u>440,908,481</u>
(c) Amount of loan written off during the year	<u>-</u>	<u>-</u>
(d) Amount realized against loan previously written off	<u>-</u>	<u>-</u>
(e) Amount of provision kept against loan classified as bad/loss as on the Balance Sheet date	<u>994,118,706</u>	<u>898,433,913</u>
(f) Interest creditable to the interest suspense accounts	<u>551,098,741</u>	<u>374,801,448</u>
xi) Cumulative amount of the written off loan	<u>-</u>	<u>-</u>
xii) Amount written off in the year	<u>-</u>	<u>-</u>
xiii) Amount of written off loan for which lawsuit has been filed for recovery	<u>-</u>	<u>-</u>
<b>8.12 Bills purchased and discounted</b>		
Payable -		
In Bangladesh	773,199,906	928,254,026
Outside Bangladesh	<u>463,557,816</u>	<u>414,358,078</u>
	<u><b>1,236,757,722</b></u>	<u><b>1,342,612,104</b></u>
<b>8.13 Bills purchased and discounted on the basis of the residual maturity grouping</b>		
Within one month	158,495,152	173,332,406
Within one to three months	729,138,860	795,128,658
Within three to six months	283,176,100	303,123,469
More than six months	<u>65,947,610</u>	<u>71,027,570</u>
	<u><b>1,236,757,722</b></u>	<u><b>1,342,612,104</b></u>

	<b>2020</b>	<b>2019</b>
	<b>Taka</b>	<b>Taka</b>
<b>9. Fixed Assets including premises, furniture and fixtures (Annexure - B)</b>		
Motor vehicles	47,280,004	47,280,004
Machinery and equipments	279,337,870	265,417,167
Furniture and fixtures	88,530,643	80,609,933
Interior decoration	295,095,195	275,831,379
Computers and accessories	263,990,463	259,919,098
Softwares	183,188,176	165,688,176
Other tools	36,804,303	33,652,591
Right of use assets (Lease assets) (note 9.01)	1,126,153,556	
	<b>2,320,380,210</b>	<b>1,128,398,348</b>
Less : Accumulated depreciation	920,584,728	685,630,480
	<b>1,399,795,482</b>	<b>442,767,868</b>
<b>9.01 Right of use assets (Lease assets) (note 9.01)</b>		
Present value of lease liabilities (obligation)	1,012,318,955	-
Initial payment (advance rent)	113,834,601	-
	<b>1,126,153,556</b>	<b>-</b>
<p>The cost of the right of use assets (ROU) (lease assets) comprises lease liabilities which is present value of lease payments and the advance rent. While calculating right of use assets, the bank has not considered the present value of lease payments against its ATM boots if the agreement was made separately as considering it as low value assets and if the contract period of the rental premises did not exceed twelve months.</p>		
<b>10. Other Assets</b>		
<b>Income generating other assets</b>	-	-
<b>Non-income generating other assets</b>		
Advance income tax (note 10.1)	1,591,882,971	1,135,584,297
Stock of stationeries and stamps (note 10.2)	11,715,869	11,966,335
Advance rent, advertisement, etc. (note 10.3)	8,995,483	117,396,342
Accrued interest and commission receivable	753,132,118	217,288,933
Advance and security deposits	4,164,557	4,164,557
Deferred tax asset (note 10.4)	14,206,600	11,693,844
Suspense accounts (note 10.5)	337,310,455	134,303,342
	<b>2,721,408,053</b>	<b>1,632,397,650</b>
<b>10.1 Advance income tax</b>		
Opening balance	1,135,584,297	1,326,695,685
Add : Paid during the year		
Income tax deducted at source	22,893,322	32,185,155
Income tax paid u/s 64 & 74 of Income Tax Ordinance 1984	433,405,352	892,742,100
	456,298,674	924,927,255
	1,591,882,971	2,251,622,940
Less : Adjustment during the year		1,116,038,643
Closing balance	<b>1,591,882,971</b>	<b>1,135,584,297</b>
<b>10.1.1 Assessment year wise break up of advance income tax</b>		
2019 - 2020	768,735,377	768,735,377
2020 - 2021	716,848,920	366,848,920
2021-2022	106,298,674	-
	<b>1,591,882,971</b>	<b>1,135,584,297</b>
<b>10.2 Stock of stationeries and stamps</b>		
Stock of printing stationeries	2,547,474	2,906,882
Stock of security stationeries	6,629,045	6,826,569
Stock of stamps	2,539,350	2,232,884
	<b>11,715,869</b>	<b>11,966,335</b>
<b>10.3 Advance rent, advertisement, etc.</b>		
Advance rent	8,995,483	117,396,342
Prepaid advertisement	-	-
	<b>8,995,483</b>	<b>117,396,342</b>
<b>10.4 Deferred tax asset / (liability)</b>		
Opening balance	11,693,844	19,452,582
Add : Deferred tax income / (expenses) for the year (note 10.4.1)	2,512,756	(7,758,738)
	<b>14,206,600</b>	<b>11,693,844</b>

#### 10.4.1 Detailed calculation of deferred tax liability / (asset)

In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of IAS 12 - Taxation, the detail calculation of deferred tax (assets) / liability of the Bank is furnished as under :

i) Temporary timing difference in written down value (WDV) of fixed assets :		
Written down value of fixed assets as per Tax (Tax Base) as on the balance sheet date	442,047,554	473,951,453
Written down value (carrying amount) of fixed assets	<u>406,531,055</u>	<u>442,767,868</u>
	35,516,499	31,183,585
ii) Temporary timing difference in provision for gratuity and intangible assets		
	-	-
<b>Total amount of temporary timing difference in asset /(liability)</b>	<b><u>35,516,499</u></b>	<b><u>31,183,585</u></b>
Applicable tax rate	<u>40.00%</u>	<u>37.50%</u>
<b>Net Deferred tax assets /(liability) at year end</b>	<b>14,206,600</b>	<b>11,693,844</b>
Net Deferred tax assets /(liability) at opening	<u>11,693,844</u>	<u>19,452,582</u>
<b>Deferred tax income /(expenses) for the year</b>	<b><u>2,512,756</u></b>	<b><u>(7,758,738)</u></b>

The Bank has not consider temporary difference arising from first time implementation of IFRS 16 and provision kept for loans and advances for this 9 months accounts.

#### 10.5 Suspense accounts

Sundry debtors	91,519,692	43,837,740
Receivable for payment against Sanchayapatra (interest & principal encashment)	94,497,808	51,388,294
Advance against expenses	28,825,841	1,594,284
Advance against fixed assets (note 10.5.1)	105,881,192	17,015,627
Other prepaid expenses	16,585,922	20,467,397
Cash incentive against foreign remittance	656,506	-
	<b><u>337,310,455</u></b>	<b><u>134,303,342</u></b>

#### 10.5.1 Advance against fixed assets

Advance against fixed assets has been made for which final bill has not being received :

Interior Decoration	4,371,897	16,548,377
Machineries, equipment's and computer accessories	<u>101,509,295</u>	<u>467,250</u>
	<b><u>105,881,192</u></b>	<b><u>17,015,627</u></b>

Above amount represents advance to acquire fixed assets against total commitment of Taka 130,883,494.

#### 11. Borrowings from other banks, financial institutions and agents

##### a) In Bangladesh

##### Secured

##### Refinance from Bangladesh Bank

Agro based industries	40,897,785	13,779,780
Green industries	125,241,094	30,027,719
Small enterprise entrepreneurs	4,695,627	11,976,325
10 Taka account	1,004,948	257,584
Bangladesh Bank stimulus fund	209,483,632	-
Export Development Fund (EDF)	<u>1,799,011,655</u>	<u>1,060,998,044</u>
	2,180,334,741	1,117,039,452

##### Unsecured

	700,000,000	-
	<b><u>2,880,334,741</u></b>	<b><u>1,117,039,452</u></b>

##### b) Outside Bangladesh

	-	-
	<b><u>2,880,334,741</u></b>	<b><u>1,117,039,452</u></b>

As at the reporting date of these financial statements, the Bank had no assets pledged as security except the Balance with Bangladesh Bank (local & foreign currency) against liability of refinance facility availed from Bangladesh Bank under the Agro based industries financing, Green industries financing, Small & Medium Enterprising Financing, 10 Taka Account Fund and Export Development Fund by the Bank. [Note 11]

<b>11.1 Residual maturity grouping of borrowings from other banks, financial institutions and agents</b>		
On demand	700,000,000	-
Within one month	539,957,981	212,895,446
Within one to three months	747,517,224	288,783,938
Within three to twelve months	699,558,815	589,066,992
Within one to five years	68,059,627	26,293,076
More than five years	125,241,094	-
	<b><u>2,880,334,741</u></b>	<b><u>1,117,039,452</u></b>
<b>12. Deposits and other accounts</b>		
Current accounts and other accounts [note : 12.1]	6,397,400,553	5,502,072,087
Special notice deposits	2,589,651,802	3,026,636,791
Bills payable	2,485,651,234	2,420,680,927
Savings bank deposits	5,661,071,326	4,329,308,387
Fixed deposits	38,036,597,208	45,341,898,712
Other deposits [note : 12.2]	12,365,137,289	10,919,565,884
	<b><u>67,535,509,412</u></b>	<b><u>71,540,162,788</u></b>
<b>12.1 Current accounts and other accounts</b>		
Current deposits	2,360,034,613	2,559,025,846
FGN currency deposits	5,660,447	5,060,065
ERQ accounts	32,842,429	18,471,852
FC held against BTB L/Cs	593,031,212	295,556,561
Non resident Taka account	23,517,301	1,560,138
Non resident foreign currency account	2,628,291	2,631,390
Resident foreign currency account	3,419,983	5,412,141
Margin against L/Cs	879,707,408	625,917,952
Margin against L/Gs	639,053,169	497,512,105
Margin on Loans	117,857,682	86,587,863
Margin on LDBP	83,400	119,400
Margin against acceptance	-	2,707,900
Security deposit	22,899,131	22,127,188
Sundry deposits - excise duty	2,479,899	76,398,100
Sundry deposits - local bills	81,893,723	28,009,290
Sundry deposits - Sanchayapatra	27,770,000	10,463,200
Sundry deposits - other	2,347,172	13,861,437
Sundry deposits - foreign correspondents charge	24,759,564	12,057,892
Sundry deposits - risk fund	931,143	598,330
Sundry deposits - advance instalment on Lease	2,059,439	2,099,939
Sundry deposits - Tax Deducted at source	41,291,674	111,003,806
Sundry deposits - VAT collected at source	2,547,132	4,965,513
Sundry deposits - VAT deducted Service Bills	7,776,039	7,284,371
Sundry deposits - card settlement account	20,094,703	26,475,030
Sundry deposits - Bangladesh Bank stimulus fund	7,048,368	-
Interest payable on deposits	1,495,666,631	1,086,164,778
	<b><u>6,397,400,553</u></b>	<b><u>5,502,072,087</u></b>
<b>12.2 Other deposits</b>		
Monthly Savings Scheme Deposits	3,163,212,090	2,791,096,167
Monthly Benefit Scheme Deposits	4,305,403,376	3,713,004,226
Lakhpoti Savings Scheme Deposits	160,409,999	121,445,572
Surokkha Millionaire Scheme Deposits	730,314,128	431,149,057
Kotipoti Scheme Deposits	61,113,121	21,465,170
Double Benefit Scheme Deposits	3,538,331,036	3,440,951,354
Triple Benefit Scheme	406,353,539	400,454,338
	<b><u>12,365,137,289</u></b>	<b><u>10,919,565,884</u></b>
<b>12.3 Segregation of deposits and other accounts</b>		
Other than inter-bank deposits	65,510,433,882	66,244,245,374
Inter-bank deposits (Note 12.4)	2,025,075,530	5,295,917,414
	<b><u>67,535,509,412</u></b>	<b><u>71,540,162,788</u></b>

#### 12.4 Details of inter-bank deposits

##### In Current Deposit Account

Mercantile Bank Limited	2,326,862	4,045,723
Trust Bank Limited	418,250	20,064
	<u>2,745,112</u>	<u>4,065,787</u>

##### In Short Notice Deposit Account

Janata Bank Limited	<u>154,884</u>	<u>153,127</u>
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##### In Fixed Deposit Account

Rupali Bank Limited	-	999,950,000
Agrani Bank Limited	499,975,000	1,249,950,000
Bangladesh Development Bank Limited	20,270,000	20,460,500
Modhumoti Bank Limited	-	699,950,000
NCC Bank Ltd.	300,000,000	-
Sonali Bank Limited	1,100,000,000	1,199,925,000
Rajshahi Krishi Unnayan Bank	50,000,000	71,550,000
Eastern Bank Limited	-	399,975,000
Probashi Kallayan Bank	51,930,535	49,988,000
Mutual Trust Bank Limited	-	199,975,000
Jamuna Bank Limited	-	399,975,000
	<u>2,022,175,535</u>	<u>5,291,698,500</u>
	<u>2,025,075,531</u>	<u>5,295,917,414</u>

#### 12.5 Residual maturity grouping of deposits and other accounts

On demand	1,249,406,925	1,323,493,012
Within one month	12,187,552,920	12,698,378,894
Within one to three months	14,870,844,712	16,811,938,255
Within three to six months	10,423,810,090	10,194,473,197
Within six to twelve months	9,792,648,865	10,373,323,604
Within one to five years	9,286,132,543	9,836,772,383
More than five years	9,725,113,357	10,301,783,443
	<u>67,535,509,412</u>	<u>71,540,162,788</u>

#### 12.6 Unclaimed deposits for ten years and more held by the bank

	<u>-</u>	<u>-</u>
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#### 12.7 As on the reporting date of these financial statements, there were no valuable items unclaimed for ten years or more held by the bank.

#### 12.8 Payable on demand and time deposits

##### a) Demand deposits

Current deposits	2,360,034,613	2,559,025,846
Savings deposits (9%)	509,496,419	389,637,755
Foreign currency deposits (non interest bearing)	637,582,362	327,132,009
Security deposits	22,899,131	22,127,188
Sundry deposits	3,353,367,146	2,592,226,906
Bills Payable	2,485,651,234	2,420,680,927
	<u>9,369,030,905</u>	<u>8,310,830,631</u>

##### b) Time deposits

Savings deposits (91%)	5,151,574,907	3,939,670,632
Fixed deposits	38,036,597,208	45,341,898,712
Special notice deposits	2,589,651,802	3,026,636,791
Deposits under schemes	12,365,137,289	10,919,565,884
Non resident Taka deposits	23,517,301	1,560,138
	<u>58,166,478,507</u>	<u>63,229,332,157</u>
	<u>67,535,509,412</u>	<u>71,540,162,788</u>

#### 12.9 Sector-wise break-up of deposits and other accounts

Government	2,633,401,401	2,591,230,747
Deposit money banks	2,025,075,530	5,295,917,414
Other public	810,073,327	13,243,218,203
Foreign currency	637,582,362	327,132,009
Private	61,429,376,792	50,082,664,415
	<u>67,535,509,412</u>	<u>71,540,162,788</u>

### 13. Other liabilities

Sundry creditors	363,370,966	17,399,651
Provision for expenses	58,681,771	14,687,477
Central clearing, EFT, NPSB adjustment account	596,223,004	9,561,631
Provision for gratuity (note 13.1)	-	-
Provision for taxation (note 13.2)	1,949,196,451	1,619,779,667
Provision on loans & advances (note 13.3)	1,435,055,633	1,355,420,749
General provision on Off Balance Sheet exposures (note 13.4)	144,129,319	133,655,792
Provision for rebate to good borrowers (note 13.5)	17,000,000	17,000,000
Present value of lease liability (note 13.6)	941,631,183	-
Interest suspense account (note 13.7)	551,098,741	376,336,448
	<b><u>6,056,387,068</u></b>	<b><u>3,543,841,415</u></b>

#### 13.1 Provision for gratuity

Opening balance	-	-
Add : Provision made for the period	21,500,000	18,000,000
	<u>21,500,000</u>	<u>18,000,000</u>
Less : transferred to gratuity fund during the period	21,500,000	18,000,000
<b>Closing balance</b>	<b><u>-</u></b>	<b><u>-</u></b>

National Board of Revenue approved "South Bangla Agriculture and Commerce Bank Limited Employees' Gratuity Fund" on 10 April 2016, (Ref: 08.01.0000.035.02.003.2016/51) as per clause 2,3,4 of Part-C of First Schedule, Income Tax Ordinance 1984. The fund and settlement of the liabilities of employees will be directed by "The Trustees".

#### 13.2 Provision for taxation

Opening balance	1,619,779,667	1,946,829,143
Add : Provision made for the year (Note 13.2.2)	329,416,784	788,989,167
	<u>1,949,196,451</u>	<u>2,735,818,310</u>
Less : Adjustment during the year	-	1,116,038,643
<b>Closing balance</b>	<b><u>1,949,196,451</u></b>	<b><u>1,619,779,667</u></b>

13.2.1 Provision for income tax has been kept as per the provisions of Income Tax Ordinance 1984. Assessment of income tax has been finalized with tax authority up to the year 2017 i.e. assessment year 2018-19.

#### 13.2.2 Provision for taxation

<b>Net profit before tax and provision</b>	<b>1,062,763,000</b>	<b>2,269,175,206</b>
Add: Inadmissible expenses		
Accounting depreciation & other non-deductible expenses	356,513,190	398,007,658
Less:		
Capital gain on sale of govt securities	518,525,115	453,194,437
Capital gain on sale of share	83,255	638,453.00
Tax depreciation & other admissible expenses	109,059,327	109,561,115
<b>Total Taxable Income</b>	<b><u>791,608,493</u></b>	<b><u>2,103,788,859</u></b>
Income tax on 791,608,493 @ 40.00%	316,643,397	788,920,822
Income tax on capital gain on sale of govt securities	-	-
Capital gain on sale of share 10% of 83,255	8,325	68,345
<b>Net Tax payable</b>	<b><u>316,651,722</u></b>	<b><u>788,989,167</u></b>
<b>Effective tax rate</b>	<b><u>32.56%</u></b>	<b><u>44.72%</u></b>

#### 13.2.3 Status of income tax assessment

Accounting Year	Assessment Year	Status
2013	2014-2015	Assessment completed
2014	2015-2016	Assessment completed
2015	2016-2017	Assessment completed
2016	2017-2018	Assessment completed
2017	2018-2019	Assessment completed
2018	2019-2020	At DCT Stage
2019	2020-2021	Yet to submit return

<b>13.3 Provision for loans and advances (note 8.9)</b>		
<b>A. General provision on loans and advances</b>		
Opening balance	383,923,138	344,842,255
General provision for the year	13,441,351	39,080,883
<b>Provision held at the year end</b>	<b>397,364,489</b>	<b>383,923,138</b>
<b>B. Specific provision against classified loans and advances</b>		
Opening balance	971,497,611	530,589,130
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the year	66,193,533	509,272,112
Less : Specific provision no more required as loans realized/regularized	-	68,363,631
Add : Net charge to profit and loss account	-	-
<b>Provision held at the end of the year</b>	<b>1,037,691,144</b>	<b>971,497,611</b>
<b>Total (A + B)</b>	<b>1,435,055,633</b>	<b>1,355,420,749</b>
<b>13.4 Provision for off balance sheet exposures (note 18.4)</b>		
Opening balance	133,655,792	110,820,033
Add : Provision made for the year	10,473,527	22,835,759
	<b>144,129,319</b>	<b>133,655,792</b>
<b>13.5 Provision for rebate to good borrowers</b>		
Opening balance	17,000,000	15,000,000
Add : Provision made for the year	-	2,000,000
	<b>17,000,000</b>	<b>17,000,000</b>
Less: Paid during the period	-	-
<b>Closing balance</b>	<b>17,000,000</b>	<b>17,000,000</b>
<b>13.6 Present value of lease liability</b>		
The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00%.		
<b>13.7 Interest suspense account</b>		
Opening balance	376,336,448	126,872,392
Add : Amount transferred to "interest suspense" account during the year	204,299,656	251,963,493
Less : Amount recovered from "interest suspense" account during the year	29,537,363	2,499,437
Less : Amount written-off during the year	-	-
<b>Closing balance</b>	<b>551,098,741</b>	<b>376,336,448</b>

#### 14. Share capital

##### 14.1 Authorized share capital

1,000,000,000 ordinary shares of Tk. 10/- each

	2020 Taka	2019 Taka
	10,000,000,000	10,000,000,000

##### 14.2 Issued, subscribed and paid up share capital

684,645,517 ordinary shares of Tk. 10/- each

	6,846,455,170	6,224,050,160
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##### 14.3 Raising of capital

The paid-up share capital of the Bank was raised in the following manner :

###### From the sponsor shareholders

By issuing 408,960,000 ordinary shares of Taka 10 each at the year 2013 4,089,600,000 4,089,600,000

###### Stock dividend

Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	-
	<b>6,846,455,170</b>	<b>6,224,050,160</b>

Subsequent the period end the Bank has submitted return of allotment for the year 2019 with RJSC which will be revised and resubmitted to rectify an inadvertent mistake regarding the date of allotment with the same authority to comply with the decision of the latest AGM.

##### 14.4 Group-wise shareholding position

Particulars	2020			2019		
	No. of shares	Percentage (%) of holding	Taka	No. of shares	Percentage (%) of holding	Taka
Sponsor directors	328,961,651	48.05%	3,289,616,510	304,839,350	48.98%	3,048,393,500
Sponsor shareholders	355,683,866	51.95%	3,556,838,660	317,565,666	51.02%	3,175,656,660
<b>Total</b>	<b>684,645,517</b>	<b>100.00%</b>	<b>6,846,455,170</b>	<b>622,405,016</b>	<b>100.00%</b>	<b>6,224,050,160</b>

##### 14.5 Range-wise shareholdings as on 31 December 2019

Range of holding of shares	No of share holders	Percentage % of share holding	No of shares	Taka
Less than 500	1	0.00%	21	210
500 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 - 20,000	-	-	-	-
20,001 - 30,000	-	-	-	-
30,001 - 40,000	-	-	-	-
40,001 - 50,000	-	-	-	-
50,001 - 1,00,000	-	-	-	-
1,00,001 - 10,00,000	1	0.12%	796,494	7,964,940
10,00,001 and above	53	99.88%	683,849,002	6,838,490,020
<b>Total</b>	<b>55</b>	<b>100.00%</b>	<b>684,645,517</b>	<b>6,846,455,170</b>

##### 14.6 Capital to Risk Weighted Assets Ratio

As per Section 13 of the Bank Companies Act, 1991 (Amended upto 2018) and instructions contained in BRPD Circular Letter No. 11 dated 14 August 2008, BRPD Circular No. 10 dated 10 March 2010, BRPD Circular No. 35 dated 29 December 2010, BRPD Circular No. 18 dated 21 December 2014 [Guidelines on Risk Based capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the risk based capital (eligible regulatory capital) of the Bank as of 30 September 2020 stood at Taka 9,292,610,353 against the risk based capital requirement of Taka 7,953,010,095. As a result, there was a capital surplus of Taka 1,339,600,257 in risk based capital adequacy as on 30 September 2020.

As per Section 13(2) of the Bank Companies Act, 1991 (Amended upto 2018) and instructions contained in BRPD Circular Letter No. 11 dated 14 August 2008, the paid-up share capital, statutory reserve and retained earnings should be at least Taka 4,000 million in which, the paid-up share capital should be at least Taka 2,000 million. Against that, the paid-up share capital, statutory reserve and retained earnings of the Bank was Taka 8,981,116,545 (paid-up share capital Taka 6,846,455,170; statutory reserve Taka 1,479,777,861 and retained earnings Taka 654,883,514) as on 30 September 2020.

**14.7 Details of capital adequacy ratio are furnished below :**

<b>A. Total common equity Tier - I capital</b>		
Paid up capital	6,846,455,170	6,224,050,160
Statutory reserve	1,479,777,861	1,479,777,861
Retained earnings	654,883,514	631,537,963
	<b>8,981,116,545</b>	<b>8,335,365,984</b>
Less : Regulatory Adjustments	230,000,000	481,881,309
	<b>8,751,116,545</b>	<b>7,853,484,675</b>
<b>B. Additional Tier - I capital</b>		
	-	-
<b>C. Total Tier - I Capital (A + B)</b>		
	<b>8,751,116,545</b>	<b>7,853,484,675</b>
<b>D. Tier - II capital</b>		
General provision on unclassified loans and off-balance sheet exposures	541,493,808	517,578,930
50% of Revaluation reserve as on 31 December 2014	22,014,417	22,014,417
	563,508,225	539,593,347
<b>Less : Regulatory Adjustments:</b>		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	<b>541,493,808</b>	<b>517,578,930</b>
<b>E. Total capital (C + D)</b>		
	<b>9,292,610,353</b>	<b>8,371,063,605</b>
<b>F. Total risk weighted assets (RWA)</b>		
	<b>63,624,080,762</b>	<b>56,834,432,585</b>
<b>G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB)</b> [12.50% of risk weighted assets]		
	<b>7,953,010,095</b>	<b>7,104,304,073</b>
<b>H. Surplus/(shortfall) of capital (E - G)</b>		
	<b>1,339,600,257</b>	<b>1,266,759,532</b>
<b>I. Total Exposure</b>		
	<b>89,727,245,927</b>	<b>90,017,111,386</b>
Capital to risk weighted assets ratio (CRAR) (E/F X 100)	14.61%	14.73%
Common equity Tier-I to risk weighted assets ratio (A/F X 100)	13.75%	13.82%
Tier-I capital to risk weighted assets ratio (C/F X 100)	13.75%	13.82%
Tier-II capital to risk weighted assets ratio (D/F X 100)	0.85%	0.91%
Leverage ratio (C/I X 100)	9.75%	8.72%

**14.8 Total risk weighted assets (RWA)**

<b>A. Credit risk weighted assets</b>		
On-Balance Sheet	50,367,486,119	42,332,791,078
Off-Balance Sheet	6,680,080,695	6,955,324,049
	<b>57,047,566,814</b>	<b>49,288,115,127</b>
<b>B. Market risk weighted assets</b>		
	405,404,440	1,375,207,950
<b>C. Operational risk weighted assets</b>		
	6,171,109,508	6,171,109,508
<b>Total risk weighted assets (RWA)</b>	<b>63,624,080,762</b>	<b>56,834,432,585</b>

**15. Statutory reserve**

As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.

Opening balance	1,479,777,861	1,126,907,844
Add : Transferred from profit during the year	-	352,870,017
<b>Closing balance</b>	<b>1,479,777,861</b>	<b>1,479,777,861</b>

Since the Bank is preparing the financial statements of 9 months and hence no appropriation has been made for statutory reserve. However the Bank will keep required provision at the end of the year.

**16. Other reserve (revaluation reserve on Govt. Securities)**

Opening balance	27,595,805	61,948,106
Add : Reserve made during the year	17,253,145	73,570,668
	44,848,950	135,518,774
Less : Adjusted during the year	-	107,922,969
<b>Closing balance</b>	<b>44,848,950</b>	<b>27,595,805</b>

Reserve made during the year represents the revaluation of Government securities as per BRPD circular Ref: DOS circular No.05 (26 May 2008) and DOS circular 5 (28 January 2009).

**17. Surplus in profit and loss account**

Opening balance	631,537,963	582,628,542
Add : Net profit during the year	645,750,561	614,732,161
	1,277,288,524	1,197,360,703
Less : Dividend paid / Issuance of Stock Dividend	622,405,010	565,822,740
<b>Closing balance</b>	<b>654,883,514</b>	<b>631,537,963</b>

**18. Contingent liabilities**

Acceptances and endorsements	1,787,107,223	2,861,743,344
Letters of Guarantee (note 18.1)	7,725,403,701	6,583,292,050
Irrevocable letters of credit (note 18.2)	4,900,421,022	3,920,543,820
Bills for collection (note 18.3)	1,953,659,870	1,969,822,283
Other contingent liabilities	-	-
	<b>16,366,591,816</b>	<b>15,335,401,497</b>

**18.1 Letters of guarantee**

Money for which the bank is contingently liable in respect of guarantees issued favoring:

Directors	-	-
Government	1,382,681,122	1,184,293,082
Banks and other financial institutions	-	-
Others	6,342,722,579	5,398,998,968
	<u>7,725,403,701</u>	<u>6,583,292,050</u>

**18.2 Irrevocable letters of credit**
**Local**

Irrevocable letters of credit (sight)	3,199,179,321	2,095,098,413
Irrevocable letters of credit (usance)	556,421,809	1,129,586,183
Irrevocable letters of credit - back to back	462,285,371	410,161,659
	4,217,886,501	3,634,846,255

**Foreign**

Irrevocable letters of credit (sight)	348,390,477	-
Irrevocable letters of credit (usance)	155,071,168	35,605,363
Irrevocable letters of credit - back to back	179,072,876	250,092,202
	682,534,521	285,697,565
	<u>4,900,421,022</u>	<u>3,920,543,820</u>

**18.3 Bills for collection**

Outward local bills	8,893,630	9,314,941
Local documentary bills for collection	689,046,720	1,066,369,839
Foreign documentary bills for collection	1,255,719,520	894,137,503
	<u>1,953,659,870</u>	<u>1,969,822,283</u>

**18.4 Particulars of required provision on off-balance sheet exposures**

Particulars	Base for Provision	Rate (%)	2020 Taka	2019 Taka
Acceptances and endorsements	1,787,107,223	1.00%	17,871,072	28,617,433
Letters of Guarantee (note 18.1)	7,725,403,701	1.00%	77,254,037	65,832,921
Irrevocable letters of credit (note 18.2)	4,900,421,022	1.00%	49,004,210	39,205,438
Bills for collection (note 18.3)	1,953,659,870	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
<b>Total Required Provision</b>			<b>144,129,319</b>	<b>133,655,792</b>
Total Provision Maintained			144,129,319	133,655,792
<b>Excess / (short) Provision</b>			<u>-</u>	<u>-</u>

	2020 Taka	2019 Taka
<b>19. Particulars of profit and loss account</b>		
<b>Income</b>		
Interest, discount and similar income (note 21)	4,638,102,014	5,324,915,570
Dividend income (note 23)	-	-
Fees, commission and brokerage (note 24)	146,379,268	168,929,962
Gains less losses arising from dealing in securities (note 23)	-	455,854
Gains less losses arising from investment securities (note 23)	1,399,926,768	591,191,986
Gains less losses arising from dealing in foreign currencies (note 24)	160,867,227	176,768,444
Income from non-banking assets	-	-
Other operating income (note 25)	70,177,476	66,066,834
Profit less losses in interest rate changes	-	-
	<b>6,415,452,753</b>	<b>6,328,328,650</b>
<b>Expenses</b>		
Interest, fee and commission (note 22)	3,719,935,563	3,494,354,245
Losses on loans and advances	-	-
Administrative expenses (note 20)	1,062,404,034	1,132,307,742
Other operating expenses (note 35)	335,395,908	334,728,220
Depreciation on bank's assets (note 34)	234,954,248	93,713,293
	<b>5,352,689,753</b>	<b>5,055,103,500</b>
<b>Profit before provision</b>	<b>1,062,763,000</b>	<b>1,273,225,150</b>
<b>20. Administrative expenses</b>		
Salary and allowances (note 26)	882,371,982	807,261,445
Rent, taxes, insurance, electricity etc. (note 27)	125,087,655	260,404,018
Legal & professional expenses (note 28)	982,857	1,798,414
Postage, stamp, telecommunication etc. (note 29)	8,582,413	10,045,648
Stationery, printing, advertisement etc. (note 30)	28,839,235	33,233,952
Managing Director's salary and allowances (note 31)	6,522,666	9,080,000
Directors' fees and other benefits (note 32)	1,664,000	1,560,000
Audit fees (note 33)	345,000	-
Repair of bank's assets (note 34)	8,008,226	8,924,265
	<b>1,062,404,034</b>	<b>1,132,307,742</b>
<b>21. Interest Income</b>		
<b>Interest on loans and advances</b>		
Interest on cash credit	1,311,894,645	1,618,446,046
Interest on SOD	1,306,289,265	1,375,426,439
Interest on OD General	170,072,825	195,180,214
Interest on local bills purchased	99,487,557	126,109,518
Interest on foreign bills purchased	20,505,455	11,950,821
Interest on import finance	277,114,599	409,573,332
Interest on export finance	1,934,902	5,087,840
Interest on other demand loans	310,895,443	296,370,848
Interest on lease finance	35,036,655	43,484,945
Interest on house building loans	62,210,142	73,285,565
Interest on general term loans	605,250,001	504,254,019
Interest on SME loans	153,064,009	121,869,750
Interest on consumer credit scheme	1,625,991	1,374,001
Interest on credit card	25,492,462	22,466,172
Interest on agriculture & rural credit	11,975,023	10,111,422
Interest on staff loans	14,508,353	14,371,760
	<b>4,407,357,327</b>	<b>4,829,362,692</b>
Interest on money at call and short notice	1,037,708	1,865,278
Interest on FDR with other banks	214,982,102	486,875,777
Interest on SND with other banks	14,724,877	6,811,823
	<b>4,638,102,014</b>	<b>5,324,915,570</b>

Considering the adverse impact on economy from COVID 19, Bangladesh Bank vide circular # 11 dated 3 May 2020 has advised Banks to transfer all interest charged or chargeable on outstanding loans and advances for the period from 1 April to 31 May 2020 to “interest free blocked account” without realizing those from clients and/or taking those to income. Subsequently, on 10 June 2020 vide BRPD Circular no 12, Bangladesh Bank has allowed banks to transfer interest from “interest-free blocked account” to income upon waiving certain portion of interest based on outstanding loan balances. These loan balances would be receivable from Government as “subsidy”. Furthermore, net amount of interest after giving waiver for the months of April and May 2020, shall be recoverable from the client during the next twelve months on equal installments or as per cash flow of the client based on banker-client relationship.

## 22. Interest paid on Deposits and Borrowings

### Interest on Deposits

Interest on savings deposits	167,568,542	108,413,289
Interest on special notice deposits	87,507,351	91,221,265
Interest on monthly savings schemes	261,254,776	174,827,657
Interest on monthly benefit schemes	309,504,945	206,599,563
Interest on special benefit schemes	328,586,914	237,665,454
Interest on fixed deposits	2,427,569,337	2,640,325,424
	<b>3,581,991,865</b>	<b>3,459,052,652</b>
Interest on call borrowing	14,208,306	9,907,153
Interest on credit lines	-	695,833
Interest on Bangladesh Bank Re-financing facilities	5,237,873	1,548,735
Interest on borrowing under REPO	118,497,519	23,149,872
	<b>3,719,935,563</b>	<b>3,494,354,245</b>

## 23. Investment Income

Dividend Received on Shares	-	-
Income on treasury bills, bonds and debentures		
Interest on treasury bonds	648,776,432	469,251,609
Interest on treasury bills	227,296,491	38,104,688
Interest on reverse REPO	5,245,475	1,798,961
Gains on trading of government securities	518,525,115	82,036,728
	<b>1,399,843,513</b>	<b>591,191,986</b>
Gains on Capital Market	83,255	455,854
	<b>1,399,926,768</b>	<b>591,647,840</b>

## 24. Commission, Exchange and Brokerage

### Fees, commission and brokerage

Commission on bills & remittance	1,854,709	1,960,552
Commission on letters of credit	66,408,607	63,928,060
Commission on letters of guarantee	56,145,610	73,246,622
Commission on acceptances	18,992,782	27,790,576
Commission on add confirmation	2,316,720	1,929,477
Commission on bank underwriting	660,840	74,675
	146,379,268	168,929,962
Exchange earnings (net)	160,867,227	176,768,444
	<b>307,246,495</b>	<b>345,698,406</b>

## 25. Other Operating Income

Banking service charge	56,053,888	59,427,906
Card operation charge	7,502,871	4,053,343
Locker rent	123,000	33,500
Miscellaneous income	6,497,717	2,552,085
	<b>70,177,476</b>	<b>66,066,834</b>

## 26. Salary and Allowances

Basic salary	286,575,560	278,265,648
House rent allowance	133,310,517	125,115,716
Conveyance allowance	24,906,231	24,084,080
Medical allowance	38,741,501	38,868,119
Other allowances	162,003,953	139,578,846
Festival bonus	53,150,392	14,895,957
Incentive bonus for previous year	60,220,723	80,425,365
Bank's contribution on provident fund	26,677,272	24,880,924
Gratuity	21,500,000	13,500,000
Casual labourer & wages	75,285,833	67,646,790
	<b>882,371,982</b>	<b>807,261,445</b>

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Casual labourer & wages	75,285,833	67,646,790
	<b>882,371,982</b>	<b>807,261,445</b>

**27. Rent, Taxes, Insurance, Electricity etc.**

Rent - Office Premises *	46,519,668	184,119,833
Rent - ATM Booths and other installations	876,960	876,960
Rates and taxes	12,442,875	11,868,837
Utilities	27,100,792	30,343,283
Insurance	38,147,360	33,195,105
	<b>125,087,655</b>	<b>260,404,018</b>

\*While implementing IFRS 16 (leases), the bank recorded interested expenses on lease liability (note 35) and depreciation on right of use assets (ROU) (note 34) instead of charging rental expenses of Taka 144,029,668 (excluding VAT) in 2020 against those rental premises that have been treated as right of use assets (ROU) (lease assets) however VAT on those rent has been charged as rent.

**28. Legal and Professional Expenses**

Legal expenses	380,688	79,077
Professional fees	602,169	1,719,337
	<b>982,857</b>	<b>1,798,414</b>

**29. Postage, Stamp, Telecommunication etc.**

Postage	799,167	835,667
Telephone, fax etc.	4,336,833	3,974,680
Internet & SWIFT	3,446,413	5,235,301
	<b>8,582,413</b>	<b>10,045,648</b>

**30. Stationery, Printing, Advertisement etc.**

Office stationery	13,815,895	13,160,663
Computer stationery	2,559,995	3,373,242
Security stationery	930,015	817,343
Advertisement	6,947,853	12,661,207
Publicity	4,585,477	3,221,497
	<b>28,839,235</b>	<b>33,233,952</b>

**31. Chief Executive's Salary and Fees**

Basic salary	2,958,333	3,600,000
House rent allowance	1,248,000	1,620,000
House maintenance allowance	593,333	540,000
Medical allowance	650,000	900,000
Festival bonus	606,000	880,000
Incentive bonus for previous year	-	1,000,000
Utility allowance	467,000	540,000
	<b>6,522,666</b>	<b>9,080,000</b>

**32. Directors' fees**

Meeting attendance fees	<b>1,664,000</b>	<b>1,560,000</b>
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Each director of the bank was paid Tk. 8,000/- per attendance in board meeting and committee meeting held.

**33. Auditors' fees**

Audit fees	300,000	-
VAT on audit fees	45,000	-
	<b>345,000</b>	<b>-</b>

**34. Depreciation and Repairs of Bank's Assets**

Depreciation / amortization		
Motor vehicles	3,022,904	6,289,165
Machinery and equipments	23,403,392	26,372,155
Furniture & fixtures	9,057,691	8,199,374
Interior decoration	18,705,881	15,160,497
Computer and peripherals	16,688,353	18,541,302
Software	27,287,200	15,532,044
Office tools and accessories	3,899,698	3,618,756
Depreciation on right of use assets (lease assets)	132,889,129	-
	234,954,248	93,713,293
Repairs of bank's assets	8,008,226	8,924,265
	<b>242,962,474</b>	<b>102,637,558</b>

### 35. Other expenses

Entertainment expenses	6,994,208	12,562,122
Training & workshop expenses	798,320	1,391,525
Travel and daily allowance	3,033,693	3,765,416
Fuel and lubricants expenses - bank's vehicles	569,195	567,210
Subscriptions to trade associations	4,639,564	2,590,807
Donations	75,000,000	75,000,000
Business promotion and development	4,435,997	11,884,589
Books, magazines & news papers etc.	335,135	590,091
Charges & duties to Government	589,075	1,341,930
Local conveyance	1,948,806	3,385,792
Cash carrying expenses	2,627,245	2,973,865
Cartage and freight	73,345	473,793
Washing and cleaning	2,623,868	1,569,095
Other bank charges paid	4,151,751	4,151,225
Expenses on AGM	93,162	1,159,433
Expenses on managers' conference	538,145	1,050,721
Antivirus and other software	18,237,918	7,101,353
Branch & head office inauguration expenses	1,079,931	981,168
Miscellaneous expenses	1,324,933	1,266,704
Interest on lease liability	42,708,192	-
Loss on sale/purchase of securities & investments	22,389,562	9,102,935
Loss on revaluation of investment	141,203,863	191,818,446
	<b>335,395,908</b>	<b>334,728,220</b>

### 36. Earning per share (EPS)

a) Net profit after tax	645,750,561	669,607,297
b) weighted average number of ordinary shares	684,645,517	684,645,517
<b>Earnings per share (a ÷ b)</b>	<b>0.94</b>	<b>0.98</b>

Earnings per share has been calculated in accordance with IAS - 33: "Earnings Per Share (EPS)". Previous year's figures have been adjusted for the issue of bonus shares during the year.

### 37. Increase / decrease of other assets

Closing -		
Stock of stationeries and stamps	11,715,869	11,016,755
Advance rent, advertisement, etc.	8,995,483	106,807,207
Security deposits	4,164,557	4,149,957
Suspense accounts	337,310,455	159,021,790
	<b>362,186,364</b>	<b>280,995,709</b>
Opening -		
Stock of stationeries and stamps	11,966,335	9,899,563
Advance rent, advertisement, etc.	117,396,342	124,826,720
Security deposits	4,164,557	3,888,372
Suspense accounts	134,303,342	71,949,277
	<b>267,830,576</b>	<b>210,563,932</b>
	<b>94,355,788</b>	<b>70,431,777</b>

### 38. Increase / decrease of other liabilities

Closing -		
Sundry creditors	363,370,966	79,406,731
Central EFT adjustment account	596,223,004	13,967,415
Present value of lease liability	941,631,183	-
	<b>1,901,225,153</b>	<b>93,374,146</b>
Opening -		
Sundry creditors	17,399,651	13,063,689
Central EFT adjustment account	9,561,631	8,659,353
	<b>26,961,282</b>	<b>21,723,042</b>
	<b>1,874,263,871</b>	<b>71,651,104</b>

### 39. Reconciliation between Operating profit of the Bank and Cash flows from operating activities

<b>Profit before provision</b>	<b>1,062,763,000</b>	<b>1,273,225,150</b>
Depreciation on fixed assets	234,954,248	93,713,293
(Increase) / decrease of interest receivable	(535,843,186)	(98,414,156)
Increase / (decrease) of interest payable	409,501,853	534,718,255
Increase / (decrease) of expenses payable	43,994,294	52,416,134
Advance tax paid	(456,298,674)	(507,882,016)
Gain on Trading of Govt Securities	(518,525,115)	(82,036,728)
Gain from sale of shares	(83,255)	(455,854)
Loss on revaluation of Government Securities	141,203,863	191,818,446
Loss on sale of Government Securities	22,389,562	9,102,935
Effects of exchange rate changes on cash and cash-equivalent	(119,092,699)	(128,233,625)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>284,963,891</b>	<b>1,337,971,834</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Sale of trading securities	127,047	682,394
Purchase of trading securities	-	(495,590)
Loans and advances to other banks	-	80,000,000
Loans and advances to customers	(1,741,945,334)	(3,198,258,345)
Increase / decrease of other assets	(94,355,788)	(70,431,777)
Deposits from other banks	(3,270,841,884)	(240,317,997)
Deposits from customers	(1,143,313,345)	5,288,389,438
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	1,874,263,871	71,651,104
	<b>(4,376,065,433)</b>	<b>1,931,219,227</b>
<b>Net cash from operating activities</b>	<b>(4,091,101,542)</b>	<b>3,269,191,061</b>

### 40. Net asset value (NAV) per share

a) Capital / shareholders' equity for the period	9,025,965,495	8,362,961,789
b) Number of outstanding shares	684,645,517	684,645,517
<b>Net asset value (NAV) per share ( a÷b)</b>	<b>13.18</b>	<b>12.22</b>

### Net operating cash flow per share (NOCFPS) per share

a) Operating cash flow for the period	(4,091,101,542)	3,269,191,061
b) Weighted average number of share	684,645,517	684,645,517
<b>Net operating cash flow per share ( a÷b)</b>	<b>(5.98)</b>	<b>4.78</b>

The net operating cash flow has been significantly decreased due to substabtlial withdrawl of deposit by other public, Banks and the Government.

### 41. Events after the reporting period

#### A. Initial public offer

The Board of Directors in its 109th meeting dated 18 October 2020 has approved raising of capital of Taka 100.00 crore by issue of 10.00 core nos of ordinary shares through initial public offering. Bangladesh Bank through their letter BRPD(P-3)/745(68)/2020-10131 dated 25 November 2020 has approved the application of the Bank for raising of 100.00 crore of share capital through the initial public offering.

#### B. Offshore Banking Unit

The bank has commenced operation of Offshore Banking Unit at International Division, Head office from 22 October 2020 with the permission of Bangladesh Bank vide letter No. BRPD(OB)/744(127)/2020-5140 dated 15.07.2020 and BRPD(OB)/744(127)/2020-5141 dated 15.07.2020

### 42. Risk Factors and Risk Management

The Bank is following comprehensive Core Risks Management guidelines issued by Bangladesh Bank. Credit Risk Grading is done for all commercial exposures to minimize credit risks. Bank's Asset Liability Committee is entrusted with the responsibility of managing short-term & long-term liquidity. ALM guidelines have also been implemented. The Bank has established its KYC & operation control procedures for prevention of Money Laundering. The Bank has strengthened the internal control system and audit division to guard against lapses, fraud and forgeries. A comprehensive ICT policy has been formulated as per Bangladesh Bank guidelines and approved by the board of directors to minimize ICT risks which is followed meticulously.

### 43. Disclosure on audit committee of the Board

The Audit Committee of the Board was duly reconstituted by the Board of Directors of the Bank in its 99th meeting held on 27 December 2019 compliance with BRPD Circular No. 11 dated 27 October 2013 of Bangladesh Bank and Corporate Governance Guidelines (BSEC/CMRRCD/2006-158/207/Admin/80) dated June 03, 2018 of Bangladesh Securities and Exchange Commission (BSEC). The members of the Audit Committee of the Board as on 30 September 2020 is as under:

Name of the Member	Status with the Bank	Status in the Committee	Educational Qualification
Mr. Md. Sajjidur Rahman	Independent Director	Chairman	Masters
Mr. Abu Zafar Mohammad Shofiuiddin	Director	Member	M. Com
Mr. Sakhawat Hussain Nominated by : Haji Shakhawat Anwara Eye Hospital Ltd.	Director	Member	M.A.
Dr. Syed Hafizur Rahman	Independent Director	Member	Masters
Al-Haj Mizanur Rahman	Director	Member	H.S.C.

The Audit Committee of the Board convened 06 (six) meetings during the period further in which, among others, the following salient issues were discussed :

- a) The Committee reviewed the inspection reports of different branches including divisions of Head Office of the Bank conducted and submitted by the Bank's Internal Control & Compliance Division and Bangladesh Bank and gave necessary instructions to the management for proper and prompt rectification / solution of the irregularities / objections stated therein.
- b) The Committee reviewed the Management Letter / Report for the year 2019 submitted by the external auditors of the Bank.
- c) The Committee reviewed the Quarterly, Half-yearly and Annual Financial Statements of the Bank.
- d) The Committee reviewed the Yearly Report on over all position as on 31 December 2019 as submitted by Internal Control & Compliance Division under the Risk Based Internal Audit system of the Bank.
- e) The Committee reviewed the introduction of modern, efficient Internal Control & Compliance system to mitigate the risks.
- f) The Committee reviewed the overall performance of Internal Control & Compliance Division.
- g) The Committee reviewed and approved the Annual Financial Statements for the year ended 31 December 2019.

#### 44. Number of employees

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received more than total remuneration of Tk 36,000 per annum or Tk 3,000 per month were 886 as at 30 September 2020 compared to 869 as at 31 December 2019.

#### 45. Workers Profit Participation Fund and Welfare Fund

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2019.

#### 46. General

- i) Figures appearing in these financial statements have been rounded off to the nearest Taka.
- ii) Figures of 2020 have been rearranged , where necessary, as per current year's presentation.

## South Bangla Agriculture and Commerce Bank Limited

### Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Related party information is given below:

**i) Directors' interest in different entities:**

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
1	Mr. S. M. Amzad Hossain	Chairman	24,200,000 & 3.53%	1. Lockpur Fish Processing Co. Ltd.	80.00%	
				2. Khulna Printing & Packaging Ltd.	20.00%	
				3. Bagerhat Seafood Ind. Ltd.	75.00%	
				4. Shampa Ice & Cold Storage Ltd.	90.00%	
				5. Western Inn International Ltd.	47.00%	
				6. Metro Bricks Ltd.	51.00%	
				7. Moon Star Jute Mills Ltd.	44.00%	
				8. Khulna Builders Ltd.	51.00%	
				9. Bangladesh Poly Printing Int'l Ltd.	50.00%	
				10. Rupsha Fish & Allied Industry Ltd.	45.00%	
				11. Ideal Polymer Export Ltd.	90.00%	
				12. Eastern Polymer Ltd.	50.00%	
				13. Moon Star Fish Ltd.	60.00%	
				14. Ocean Trade International	100.00%	
2	Mr. Talukder Abdul Khaleque	Vice-Chairman (Independent Director)	0	1. M/S Nahar Trading	100.00%	
3	Mrs. Begum Sufia Amjad	Director	22,990,000 & 3.36%	1. Lockpur Fish Processing Co. Ltd.	20.00%	
				2. Khulna Printing & Packaging Ltd.	10.00%	
				3. Bagerhat Seafood Ind. Ltd.	25.00%	
				4. Shampa Ice & Cold Storage Ltd.	10.00%	
				5. Western Inn International Ltd.	33.00%	
				6. Metro Bricks Ltd.	49.00%	
				7. Moon Star Jute Mills Ltd.	7.41%	
				8. Khulna Builders Ltd.	49.00%	
				9. Rupsha Fish & Allied Industry Ltd.	23.00%	
				10. Moon Star Fish Ltd.	40.00%	
4	Mr. Abu Zafar Mohammad Shofiuddin	Director	33,482,273 & 4.89%	1. SQ Wire & Cable Co. Ltd	32.24%	
				2. SQ Trading & Engineering	80.00%	
				3. SQ Light Ltd.	35.00%	
				4. SQ Wood Preservatives	80.00%	
				5. SQ Energy Ltd.	50.00%	
				6. SQ Electricals Ltd.	70.00%	
				7. SQ Distribution Ltd.	60.00%	
				8. SQ Power Solutions	70.00%	
				9. SQ Properties Ltd.	35.00%	
				10. SRN Power	40.00%	
				11. Steamz Health Care (BD) Ltd.	20.00%	
				12. Power-Add	80.00%	
				13. Techno Electricals Ltd.	16.89%	
				14. TSCO Power Ltd.	25.00%	
				15. TS Transformers Ltd	25.00%	
				16. Building Dreams Ltd.	10.00%	
				17. BMIT Solutions Ltd.	40.00%	

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
5	Mr. Abdul Kadir Molla	Director	33,482,273 & 4.89%	1. Thermax Textile Mills Ltd.	29.98%	
				2. Thermax Knit Yarn Ltd.	30.00%	
				3. Thermax Spinning Ltd.	60.00%	
				4. Thermax Blended Yarn Ltd.	30.00%	
				5. Indigo Spinning Ltd.	55.00%	
				6. Thermax Melange Spinning Mills Ltd.	60.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	12.00%	
				10. Thermax Woven Dyeing Ltd.	60.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	60.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sister Garments Ltd.	50.00%	
				16. Sultana Filling Point Ltd.	55.00%	
				17. Adury Fashion & Print Ltd.	60.00%	
				18. Adury Ring Denim Spun Ltd.	20.00%	
				19. Kadir Molla Medical College & Hospital Ltd.	30.00%	
				20. Sultana Enterprise	100.00%	
				21. Sister Denim Composite (Unit-2) Ltd.	20.00%	
6	Engr. Md. Moklesur Rahman	Director	33,482,273 & 4.89%	1. Contech Construction Ltd.	65.00%	
				2. Pre Stressed Pole Ltd.	65.00%	
				3. B&T Cables Ltd.	70.00%	
				4. B&T Cold Storage Ltd.	6.67%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	55.00%	
				7. Tushar Ceramics Ltd.	25.00%	
				8. B&T Transformers Ltd.	33.33%	
				9. Nexus Securities Ltd.	20.00%	
7	Al-Haj Mizanur Rahman	Director	24,200,000 &	1. M R Trading Co.	100.00%	
				2. Moon Bangladesh Ltd.	90.00%	
8	Mrs. Tahmina Afroz	Director	33,482,273 & 4.89%	1. Anwer Khan Modern Hospital Ltd.	10.00%	
				2. Haji Shakhawat Anwara Eye Hospital Ltd.	10.00%	
				3. Modern Holdings Ltd.	50.00%	
				4. Modern Diagnostic Centre Ltd.	10.00%	
9	Mr. Hafizur Rahman Babu	Director	25,111,704 & 3.67%	1. Joytun Securities International Ltd.	85.12%	
				2. Joytun Developers Ltd.	50.00%	
				3. S.B. Agro Fertilizer Industries Ltd.	33.33%	
				4. Sheikh Cement Mills Ltd.	18.18%	
				5. Gold Hill Properties Ltd.	15.00%	
				6. Sheikh Jute Mills Ltd.	16.67%	
				7. M/S. Sheikh Brothers	100.00%	
				8. M/S. Hafizur Rahman Babu	100.00%	
				9. Sheikh Shipping Lines Ltd.	33.33%	
				10. Sheikh Agro Food Industries	100.00%	
				11. Arising Trade Internation	80.00%	

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
10	Mr. Anwar Hussain	Director	4,185,284 & 0.61%	1. SAFAH CNG Refuelling Station Ltd .	8.33%	
				3. HAR Industries Ltd.	30.00%	
				4. Abdul Gaffar & Co. (Pvt.) Ltd.	30.40%	
				5. Asuka CNG Filling Station Ltd.	25.00%	
				6. AGI Corporation	100.00%	
				7. AGI Flex Ltd.	50.00%	
				11	Capt. M. Moazzam Hossain	
2. Agrovita Ltd.	60.00%					
3. Admiral Trading Corp.	100.00%					
4. Ekushey Homes Ltd.	60.00%					
5. Masters Ocean Voyage	100.00%					
6. Radiant Dredging Ltd.	49.00%					
7. Canadian Trillinium School	Chairman, Board of Governor					
8. Fareast International University	Member, Board of Trustees					
12	Mr. Sk. Shyed-uj-Jaman Nominated by Moonstar Cerinic Industries Ltd.	Director	2,746,700 & 0.40%	1. Mashiyat Fish Firm	100.00%	
				2. South East Union Ceramic Industries Ltd.	5.00%	
				3. AB Siddique & Co.	100.00%	
13	Mr. Mohammad Nawaz	Director	29,464,398 & 4.30%	1. Famous Printing & Packaging Ltd.	29.15%	
				2. Famous Iberchem Flavours & Fragnances Ltd.	29.16%	
				3. Famous General Agencies Ltd.	29.05%	
				4. Matcon limited	28.96%	
				5. F.S. Printing & Packaging Ltd.	29.11%	
				6. Green Soap & Chemical Co. Ltd.	29.07%	
				7. Famous Flavours & Fragnances Ltd.	40.00%	
				8. Eden Multicare Hospital	2.50%	
14	Mr. Mohammed Ayub	Director	27,988,873 & 4.09%	1. Ayub & Co. Ltd.	80.00%	
				2. Pioneer Enterprise	100.00%	
				3. United Enterprise	100.00%	
				4. Pacific Enterprise	70.00%	
15	Ms. Mst. Nasima Begum, Nominated by Thermax Textile Mills Ltd.	Director	33,482,273 & 4.89%	1. Thermax Textile Mills Ltd.	25.00%	
				2. Thermax Knit Yarn Ltd.	30.00%	
				3. Thermax Spinning Ltd.	40.00%	
				4. Thermax Blended Yarn Ltd.	30.00%	
				5. Indigo Spinning Ltd.	45.00%	
				6. Thermax Melange Spinning Mills Ltd.	40.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	8.00%	
				10. Thermax Woven Dyeing Ltd.	40.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	40.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sultana Filling Point Ltd.	45.00%	
				16. Adury Fashion & Print Ltd.	40.00%	
				17. Adury Ring Denim Spun Ltd.	20.00%	
				18. Kadir Molla Medical College & Hospital Ltd.	25.00%	
				19. Sister Garments Ltd.	50.00%	

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
16	Mr. Sakhawat Hussain, Nominated by Hazi Shakhawat Anwara Eye Hospital Ltd.	Director	0	General Manager, Anwer Khan Modern Hospital Ltd. & Diagnostic Centre	N/A	
17	Dr. Syed Hafizur Rahman	Independent Director	0	1. Bagerhat Poultry & Fisheries 2. Coal Mark 3. Aliums Trade Associate	100.00% 100.00% 100.00%	
18	Mr. Md. Sajidur Rahman	Independent Director	0	1. Indo-Bangla Trading 2. US-DK Green Energy (BD) Ltd. 3. Nitex Ltd. 4. Lenden Ltd. 5. JoBike	40.00% 22.50% 3.00% 5.00% 1.00%	

As per clause 94(1) of Articles of Association of South Bangla Agriculture and Commerce Bank Limited the qualifying number of shares for a director is 10,00,000 (ten lac) which is 0.24% of paid up Capital of the Bank. As per Notification No. SEC/CMRRCD/2009-193/119/ Admin/34 dated November 22, 2011 of Bangladesh Securities and Exchange Commission, the qualifying No. of shares of a director should be at least 2.00% of paid up Capital, which is mandatory only for listed companies. As per regulation 2(5&6) of listing regulations of Dhaka Stock Exchange Limited the Bank is not yet become a listed company.

- ii) Significant contract where bank is a party and wherein Directors have interest : NIL
- iii) Shares issued to Directors and executives without consideration or exercisable at discount: NIL
- iv) Related party transactions (loan to directors):

(Amount in Crore taka)

Name of the Borrower	Representing Director	Nature of Facilities	Outstanding as at 30 Sep 2020	Outstanding as at 31 Dec 2019
Haji Shakhawat Anwara Eye Hospital	Mrs Tahmina Afroz	Cash Credit (Hypo)	11.67	11.08
Modern Diagnostic Center Ltd.	Mrs Tahmina Afroz wife of Mr. Anwar Hossain Khan, Managing Director, Modern Diagnostic Center Ltd.	Cash Credit (Hypo)	16.16	15.33
Khulna Builders Ltd.	Mr. SM Amzad Hossain & Mrs. Begum Sufia Amzad	Cash Credit (Hypo)	21.40	21.88
Radiant Dredging Ltd.	Capt. M. Moazzam Hossain	Lease Finance & SOD (Gen)	1.43	2.64
Anwar Hussain	Mr. Anwar Hussain	House Building Loan	0.83	0.90
Mohammad Imran	Mr. Anwar Hussain Brother of Mr. Mohammad Imran	House Building Loan	0.83	0.90
M M Fisheries	Mrs. Kamrunnahar mother of Ms Mysha Khabir, Proprietor, M M Fisheries	SOD (Gen)	4.21	4.56
M.R. Trading Co.	Mr. Md. Mizanur Rahman	SOD (Gen)	10.03	4.72

- v) Lending policies to related parties:  
Related parties are allowed loans and advances as per the guidelines of Bangladesh Bank and credit policy of the bank.
- vi) Business other than banking business with any related concern of the directors as per section 8 (2) of the Banking Companies Act 1991:

a) Lease agreement made with the directors / related concerns:

Nature of contract	Branch Name	Name of the Director and related by	Remarks
Lease agreement	Katakhali Branch	Mr. S. M. Amzad Hossain, Chairman, Board of Directors, SBAC Bank Ltd. and owner of the premises	Lease period: 01.07.2013 to 30.06.2023

b) Brokerage house :

Name of the Party	Name of the Director and related by	Nature of Transaction	Amount
E-Securities Ltd.	Capt. M. Moazzam Hossain and common director	Brokerage house commission and charges	Tk. 1,055.34

- vii) Investment in securities of the Directors and their related concern: NIL
- viii) The Managing Director & CEO is considered as key management personnel and related remuneration are disclosed in Note 31.

**South Bangla Agriculture and Commerce Bank Limited**  
**Schedule of Fixed Assets**  
**as at 30 September 2020**

Particulars	Cost				Accumulated Depreciation				Net book value as at 30 September 2020
	Balance as at 01 January 2020	Additions during the period	Disposals during the period	Balance at 30 September 2020	Balance as at 01 January 2020	Charge for the period	On disposal during the period	Balance as at 30 September 2020	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Tangible Assets :</b>									
Motor vehicles	47,280,004	-	-	47,280,004	36,518,990	3,022,904	-	39,541,894	7,738,110
Machinery and equipments	265,417,167	13,920,703	-	279,337,870	186,560,507	23,403,392	-	209,963,899	69,373,971
Furniture and fixtures	80,609,933	7,920,710	-	88,530,643	36,852,610	9,057,691	-	45,910,301	42,620,342
Interior decoration	275,831,379	19,263,816	-	295,095,195	96,086,438	18,705,881	-	114,792,319	180,302,876
Computers and accessories	259,919,098	4,071,365	-	263,990,463	190,720,525	16,688,353	-	207,408,878	56,581,585
Other tools	33,652,591	3,151,712	-	36,804,303	19,955,834	3,899,698	-	23,855,532	12,948,771
<b>Intangible Assets :</b>									
Softwares	165,688,176	17,500,000	-	183,188,176	118,935,576	27,287,200	-	146,222,776	36,965,400
<b>Right of use assets (Lease assets)</b>	-	1,012,318,955	-	1,012,318,955	-	132,889,129	-	132,889,129	879,429,826
<b>At 30 September 2020</b>	<b>1,128,398,348</b>	<b>1,078,147,261</b>	<b>-</b>	<b>2,206,545,609</b>	<b>685,630,480</b>	<b>234,954,248</b>	<b>-</b>	<b>920,584,728</b>	<b>1,285,960,881</b>
<b>At 31 December 2019</b>	<b>1,016,997,060</b>	<b>111,401,288</b>	<b>-</b>	<b>1,128,398,348</b>	<b>560,103,301</b>	<b>125,527,179</b>	<b>-</b>	<b>685,630,480</b>	<b>442,767,868</b>

**Rate of Depreciation**

Depreciation is charged for the period at the following rates using straight-line method on all fixed assets :

<b><u>Particulars</u></b>	<b><u>Rate</u></b>
Motor vehicles	20%
Machinery and equipments	20%
Furniture and fixtures	10%
Interior decoration	10%
Computers and accessories	20%
Other tools	20%
Softwares	20% or usable licence period

**South Bangla Agriculture and Commerce Bank Limited**  
**Highlights on the overall activities of the bank**

(Amount in Tk.)			
Sl. No.	Particulars	30 September 2020	31 December 2019
01	Paid up capital	6,846,455,170	6,224,050,160
02	Total capital (Tier I +II)	9,292,610,353	8,371,063,605
03	Capital surplus/(deficit)	1,339,600,257	1,266,759,532
04	Total assets	85,498,196,716	84,564,005,444
05	Total deposits	67,535,509,412	71,540,162,788
06	Total loans and advances	57,917,445,106	56,000,737,479
07	Total contingent liabilities and commitments	16,366,591,816	15,335,401,497
08	Advance deposits ratio (%)	85.55%	78.21%
09	Classified loans to advance ratio ( %)	5.73%	6.09%
10	Profit after tax and provision	645,750,561	669,607,297
11	Classified loans and advances at the end of the year	3,319,515,426	3,408,949,744
12	Provision kept against classified loans and advances	1,037,691,144	971,497,611
13	Surplus/(deficit) provision against classified advances	(230,000,000)	(607,677,000)
14	Cost of fund including operating cost (%)	9.80%	10.47%
15	Interest earning assets	73,013,643,903	73,970,203,123
16	Non interest earning assets	12,484,552,813	10,593,802,321
17	Return on investments (ROI) [Income from Investment/ Average Investments]	10.96%	11.03%
18	Return on Assets (ROA) [PAT/Average assets]	0.76%	1.25%
19	Return on Equity (ROE) [PAT/Average shareholders equity]	7.43%	12.25%
20	Net Asset Value per Share (NAV) [Shareholders equity/No. of Ordinary Share]	13.18	12.22
21	Income from investments	1,399,926,768	1,217,521,317
22	Earnings per share	0.94	1.55
23	Profit per share	0.94	1.55
24	Price - earnings ratio (times)	N/A	N/A

**(b) Information as is required under section 186 of the কোম্পানি আইন, 1994 relating to holding company;**

Not applicable for South Bangla Agriculture & Commerce Bank Limited since the company has no subsidiary as on 30 September 2020. However, the company recently formed a subsidiary company named SBAC Bank Investment Limited which incorporation date is 21 March 2021.

**(c) Selected ratios as specified in Annexure-D:**

**South Bangla Agriculture and Commerce Bank Limited  
Auditors' certificate regarding calculation of EPS and other ratios**

We have examined the following earnings per share (EPS) and other ratios of South Bangla Agriculture and Commerce Bank Limited (the "Bank") for the period ended 30 September 2020 and for the years ended 31 December 2019, 2018, 2017, 2016 and 2015 which have been produced by the management of the Company and provided to us. The preparation of the EPS and the other ratios is the responsibility of the Bank's management. Our responsibility is to review them and certify as to whether they have been properly prepared using stated principle on the basis of audited financial statements for the period ended 30 September 2020 and years ended 31 December 2019, 2018, 2017, 2016 and 2015.

Based on the review, we certify that the Bank has properly prepared the following EPS and other ratios using stated principles on the basis of financial statements for the period ended 30 September 2020 and years ended 31 December 2019, 2018, 2017, 2016 and 2015.

Ratios pertinent to the prospectus are as specified in rule 4 (1)(d) / Annexure D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

SI	Particulars	Formula	Period					
			30-Sep-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Liquidity Coverage Ratio (LCR)	[Total Highly Liquid Asset/Total Net Cash Flow]*100	108.84%	120.17%	349.31%	149.07%	320.45%	522.39%
2	Net Stable funding Ratio (NSFR)	[Available Amount of Stable Funding/Required Amount of Stable Funding]*100	187.88%	183.97%	126.26%	110.57%	124.34%	134.19%
3	Net Interest Margin (NIM)	[Net Interest Income /Interest Earning Assets]*100	1.90%	4.18%	5.07%	4.54%	5.09%	3.50%
4	Operating Profit Margin	[Operating Profit/(Interest Income +Investment Income+Non-Interest Income )]*100	16.57%	24.67%	25.83%	29.03%	28.84%	20.77%
5	Net Profit Margin	[Net Profit /(Interest Income+ Investment Income+ Non-Interest Income)]*100	10.07%	10.52%	11.17%	15.67%	18.02%	9.22%

Sl	Particulars	Formula	Period					
			30-Sep-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
6	Efficiency Ratio	[Non Interest Expense or Operating Expenses/ (Interest Income+Investment Income+Non-Interest Income)]*100	25.45%	22.65%	25.02%	26.25%	27.37%	26.42%
7	Return on Equity (ROE)	[Net Profit/ Average Total-Sahreholders' Equity]*100	7.43%	12.25%	12.59%	16.16%	18.09%	8.75%
8	Return on Assets (ROA)	[Net Profit / Average Total Asset]*100	0.76%	1.25%	1.36%	1.88%	2.31%	1.18%
9	Equity Multiplier	Average-Total Asset/Average -Total-Shareholders' Equity	9.78*(Times)	9.83*(Times)	9.28*(Times)	8.60*(Times)	7.84*(Times)	6.63*(Times)
10	Debt Equity Ratio	Average-Total Liabilities/Average-Total-Shareholders' Equity	8.78*(Times)	8.83*(Times)	8.28*(Times)	7.60*(Times)	6.84*(Times)	5.63*(Times)
11	Burden Ratio	[1-(Non-Interest Income/Operating Expenses)]*100	-8.86%	11.56%	26.26%	8.70%	1.16%	0.53%
12	Burden Coverage Ratio	[Non-Interest Income/Operating Expenses]*100	108.86%	88.44%	73.74%	91.30%	98.84%	99.47%
11	Interest Coverage Ratio	[Operating Profit / Interest Expense]*100	28.57%	46.81%	52.56%	64.92%	65.87%	39.32%
12	Cost to Income Ratio	[Operating Expenses/Operating Income]*100	60.57%	47.87%	49.20%	47.48%	48.69%	56.00%
13	Dividend Payout Ratio	[Total Dividend Payment/Net Profit After Tax]*100	0.00%	64.32%	64.32%	68.53%	68.48%	68.55%
14	Earnings Per Share (Taka)	Net Profit After Tax/Number of Share Outstandings	0.94	1.41	1.28	1.43	1.39	0.52
15	Net Asset Value Per Share (Taka)	[Total Asset-Total Liabilities)/Number of Share Outstandings]	13.18	13.44	13.13	13.12	12.96	11.93
16	Net Operating Cash Flow per share(Taka)	[Net Cash Flow from Operating Activities/Number of Share Outstandings]	(5.98)	11.63	5.37	0.36	2.78	5.21
17	Free Cash Flow per share(Taka)	[(Net cash from operating activities+Purchase/sale of property,plant and equipment)/Number of Share Outstandings]	(7.72)	11.47	5.21	0.12	2.63	4.82
18	Tier-I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	13.75%	13.82%	14.92%	15.31%	17.58%	20.15%
19	Tier-II Capital Ratio	[Supplementary Capital (Tier II)/ Risk Weighted Assets]*100	0.85%	0.91%	0.96%	1.24%	1.01%	1.04%
20	Capital Adequacy Ratio(CRAR)	[Total Capital/Risk Weighted Assets]*100	14.61%	14.73%	15.88%	16.54%	18.59%	21.19%

Sl	Particulars	Formula	Period					
			30-Sep-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
21	Leverage Ratio	[Core Capital (Tier I)/Total Assets]*100	9.75%	8.72%	9.71%	10.11%	11.16%	11.76%
22	Credit Deposit Ratio	[Loans & Advances/Total Deposit Excluding FC Held against EDF]*100	85.55%	78.21%	82.50%	83.99%	78.71%	75.15%
23	Loans & Advances to Total Asset Ratio	[Loans & Advance/Total Assets]*100	67.74%	66.22%	71.12%	73.44%	66.17%	63.04%
24	Ratio of Non-Performing Loan	(Classified Loans & Advances / Total Loans & Advances)*100	5.73%	6.09%	1.97%	0.87%	0.00%	0.10%
25	Cost of Deposits	[Interest expenditure/ Average Deposit]*100	7.24%	7.76%	7.43%	6.40%	6.34%	7.75%
26	Yield on Loan & Advances	[Interest Income from Loans & Advances/Average Loans & Advances]*100	10.47%	12.88%	12.99%	12.03%	12.67%	14.10%
27	Cost of Administration	[Operating Expenditure/ Average Deposit]*100	2.56%	2.71%	2.98%	3.11%	3.13%	3.20%
28	Cost of Fund	[(Interest Expenditure/ Average Deposit)*100]+[(Operating Expenditure/ Average Deposit)*100]	9.80%	10.47%	10.41%	9.51%	9.47%	10.95%
29	Spread (Cost of Deposit)	[(Interest Income from Loans & Advances/Average Loans & Advances)*100]-[(Interest Expenditure/ Average Deposit )*100]	3.23%	5.12%	5.56%	5.63%	6.33%	6.35%
30	Spread (Cost of Fund)	[(Interest Income from Loans & Advances/Average Loans & Advances)*100]-[(Interest Expenditure/ Average Deposit )*100]+[Operting Expenditure/ Average Deposit]*100]	0.67%	2.41%	2.58%	2.52%	3.20%	3.15%

Industry Average Ratio Compare with South Bangla Agriculture & Commerce Bank Limited

**SBAC Bank Ltd.**  
**Ratio Analysis - December 2019**

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2019	31.12.2019	
1	Liquidity Coverage Ratio (LCR)	[Total Highly Liquid Asset/Total Net Cash Flow]*100	152.31%	120.17%	SBAC Bank meets short-term obligations holding lesser amount of highly liquid assets than industry. Bank is using its Highly Liquid Asset efficiently and effectively by assessing exposure to contingent liquidity events properly. It is assured that the Bank has the necessary assets on hand to ride out any short-term liquidity disruptions.
2	Net Stable funding Ratio (NSFR)	[Available Amount of Stable Funding/Required Amount of Stable Funding]*100	112.66%	183.97%	SBAC Bank maintains a stable funding profile in relation to the composition of its asstes and off-balance sheet activites. SBAC Bank's available amount of stable funding is higher than required amount of stable funding. Net Stable Funding Ratio (NSFR) is higher than industry average.
3	Net Interest Margin (NIM)	[Net Interest Income /Interest Earning Assets]*100	2.10%	4.18%	Percentage of net interest income to average interest-earning asstes during the period of 2019 is significantly higher than industry. NIM increases when Non Performing Loan(NPL) is lower. SBAC Bank's asset quality and its revenue generating ability is better than that of industry.
4	Operating Profit Margin	[Operating Profit/(Interest Income +Investment Income+Non-Interest Income )]*100	25.66%	24.67%	Operating Profit Margin is a profitability or performance ratio that reflects the percentage of profit a company produces from its operations. Operating profit margin reflects SBAC Bank is making 24.67 percent profit from its operation after covering operating and non-operating expenses of the bank which is lower than the industry average .
5	Net Profit Margin	[Net Profit / (Interest Income+ Investment Income+ Non-Interest Income)]*100	6.67%	10.52%	The net profit margin is equal to how much net income or profit is generated as a percentage of income. Net Profit Margin is 10.52 percent which is significantly higher than industry average. Asset Quality of SBAC Bank is good and it has 10.52 percent of total income remaining after keeping aside fund for provision for bad loans and investment and making payment of tax liability.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2019	31.12.2019	
6	Efficiency Ratio	[Non Interest Expense or Operating Expenses/(Interest Income+Investment Income+Non-Interest Income)]*100	28.28%	22.65%	A bank has two main buckets of expenses: interest and non-interest. Interest expenses are incurred for deposits received from clients, short-term and long-term finance and trading account liabilities. SBAC Bank incurs 22.65 percent operating expenses of its total income, which is lower than Industry average. SBAC Bank incurs lower operating expenditure and more efficiently uses its resources.
7	Return on Equity	[Net Profit/ Average Total-Shareholders' Equity]*100	7.40%	12.25%	ROE is considered a measure of the profitability of a company in relation to shareholders' equity. SBAC Bank generates 12.25 percent profit from the money that investors have put into the business which was higher than Industry Average. It reveals management's ability to generate more income from the equity available to it than industry average.
8	Return on Assets	[Net Profit / Average Total Asset]*100	0.50%	1.25%	Return on Asstes (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total asstes. SBAC Bank utilizes its assets more efficiently and effectively than average results of other players in the industry. Bank generates a return of 1.25 percent of its average total asset which is considerably better than industry.
9	Equity Multiplier	Average-Total Asset/Average -Total-Shareholders' Equity	14.31 (Times)	9.83*(Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. SBAC Bank Limited has lower equity multiplier than Industry which means bank incurs less amount of debt to finance its asstes.
10	Debt Equity Ratio	Average-Total Liabilities/Average-Total-Shareholders' Equity	12.82 (Times)	8.83*(Times)	Debt Equity Ratio measures the degree to which a company is financing its operation through debt versus wholly-owned funds. Debt use by SBAC Bank is considerably lower than Industry average, which indicates the strength of the bank.
11	Burden Ratio	[1-(Non-Interest Income/Operating Expenses)]*100	21.54%	11.56%	Burden ratio measure how much of operating expenses is not covered by Non Interest Income. In other words what portion of operating expenses is covered by Interest Income. SBAC Bank's Burden Coverage ratio is 11.56 percent, which is lower than industry average .

SI	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2019	31.12.2019	
12	Burden Coverage Ratio	$[\text{Non-Interest Income}/\text{Operating Expenses}] * 100$	69.85%	88.44%	Burden Coverage ratio measures portion of operating expenses is covered by Non-interest Income. SBAC Bank's Burden coverage ratio is 88.44 percent, which is higher than industry average and this is a good sign because it shows the Bank risk is low.
13	Interest Coverage Ratio	$[\text{Operating Profit} / \text{Interest Expense}] * 100$	51.24%	46.81%	Interest coverage ratio, broadly, is measure of a Bank's ability to meet its financial obligations. The higher the coverage ratio, the easier it should be to make interest payments. SBAC Bank's Interest Coverage Ratio is 46.81 percent, which is lower than industry average.
14	Cost to Income Ratio	$[\text{Operating Expenses}/\text{Operating Income}] * 100$	47.56%	47.87%	Cost Income ratio shows a company's costs in relation to its income. Cost income ratio is slightly higher than industry average due to expansion of the bank's coverage but lower that of preceding year. So it can be said that increase in operating expense is proportionately lower than increase in operating income.
15	Dividend Payout Ratio	$[\text{Total Dividend Payment}/\text{Net Profit After Tax}] * 100$	64.31%	64.32%	Dividend payout ratio gives investors an idea of how much money it returns to its shareholders. SBAC Bank's Dividend Payout ratio is 64.32 Percent which is just above the industry average.
16	Earnings Per Share (Taka)	$\text{Net Profit After Tax}/\text{Number of Share Outstandings}$	1.92/Share	1.41/Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. SBAC Bank's Earning Per Share (EPS) is 1.55, lower than industry average. SBAC Bank makes BDT 1.55 for each share of its stock.
17	Net Asset Value Per Share (Taka)	$[\text{Total Asset}-\text{Total Liabilities}]/\text{Number of Share Outstandings}$	22.58/Share	13.44/Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. SBAC Bank's Net Asset Value is 13.44 per Share which is lower than Industry average but higher than that of preceding year.

SI	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2019	31.12.2019	
18	Net Operating Cash Flow per share(Taka)	[Net Cash Flow from Operating Activities/Number of Share Outstandings]	9.62/Share	11.63/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. SBAC Bank's operating Cash flow per share is above of industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in, excluding cost associated with long-term capital investment. It is similar to operating profit but excluding non-cash items and accruals.
19	Free Cash Flow per share(Taka)	[(Net cash from operating activities+Purchase/sale of property,plant and equipment)/Number of Share Outstandings]	9.61/Share	11.47/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. SBAC Bank's Free Cash flow per share is above of industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in.
20	Tier-I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	7.70%	13.82%	The tier-I capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for credit risk. The tier 1 capital ratio has to be at least 6%. SBAC Bank tier 1 Capital ratio is 13.82 percent indicates bank's ability of absorbing reasonable amount of losses without risk of failure.
21	Tier-II Capital Ratio	[Supplementary Capital (Tier II)/ Risk Weighted Assets]*100	3.90%	0.91%	Tier-II capital comprises unaudited retained earnings, unaudited reserves and general loss reserves. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier-II Capital ratio measures supplementary Capital against its Risk Weighted Assets (RWA). SBAC Bank's Tier-1 capital is higher than industry Average but Tier-II Capital is lower than Industry Average. Higher Tier-1 Capital ratio indicates strength of the bank.
22	Capital to Risk Weighted Ratio (CRAR)	[Total Capital/Risk Weighted Assets]*100	11.60%	14.73%	Capital to Risk Weighted Asset Ratio (CRAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk weighted credit exposures. SBAC Bank's Capital Adequacy ratio is 14.73 percent which is greater than industry average, which shows bank's ability to protect depositors and promote the stability and efficiency of financial system.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2019	31.12.2019	
23	Leverage Ratio	[Core Capital (Tier I)/Total Assets]*100	6.20%	8.72%	Basel III introduced a minimum leverage ratio - with tier 1 capital, it must be at least 3% of total assets. SBAC Bank Leverage ratio is above of industry average.
24	Advance Deposit Ratio	[Loans & Advances/Total Deposit Excluding FC Held against EDF]*100	81.02%	78.21%	The Advance-to-deposit ratio (ADR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. SBAC Bank's ADR is 78.21 percent i.e., Bank is maintaining its ADR within the limit specified by the regulatory authority.
25	Loans & Advances to Total Asset Ratio	[Loans & Advance/Total Assets]*100	69.83%	66.22%	Loans & Advances to Total Assets Ratio measures the portion of Loan and Advance in the total Asset of Bank. SBAC Bank Loans and Advances to Total Asset Ratio is 66.22 Percent, which is lower than Industry Average.
26	Ratio of Non-Performing Loan	(Classified Loan & Advance/Total Loans & Advance)*100	9.30%	6.09%	Ratio of Non Performing Loans measures the portion of non-performing loans (SS,DF,BL) of its total Loans & Advance Portfolio. Non Performing Loan (NPL) of SBAC Bank is 6.09 percent which is lower than industry average.
27	Cost of Deposits	[Interest expenditure/ Average Deposit]*100	5.98%	7.76%	Average interest rate paid by SBAC Bank Limited for the funds that it use in its business is higher than the industry average. Bank is focusing on hunting of low cost CASA Deposit to bring the average cost of deposit below industry average.
28	Yield on Loan & Advances	[Interest Income from Loans & Advances/ Average Loans & Advances]*100	10.00%	12.88%	Rate at which Interest Income generated from loans and Advances is the Yield on Loans & Advances. SBAC Bank Yield on Loans & Advances is 12.88 percent, which is higher than Industry Average.
29	Cost of Administration	[Operating Expenditure/ Average Deposit]*100	2.73%	2.71%	New Branches opened in the recent past years. As a result Cost of Operation increases as new branches requires new people, new location, etc. Cost of Administration of SBAC Bank is lower than the industry average and it is gradually decreasing from year to year.
30	Cost of Fund	[(Interest Expenditure/ Average Deposit)*100]+[(Operating Expenditure/ Average Deposit)*100]	8.01%	10.47%	Cost of Fund (CoF) is the summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Cost of Fund (CoF) of SBAC Bank is higher than industry average.

SI	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2019	31.12.2019	
31	Spread (Cost of Deposit)	$[(\text{Interest Income from Loans \& Advances} / \text{Average Loans \& Advances}) * 100] - [(\text{Interest Expenditure} / \text{Average Deposit}) * 100]$	4.32%	5.12%	Spread (cost of deposit) is the difference between Yield on Advances and Cost of Deposit. As both the Yield on Advance and Cost of Deposit is higher than industry average, Spread is also greater than industry average.
32	Spread (Cost of Fund)	$[(\text{Interest Income from Loans \& Advances} / \text{Average Loans \& Advances}) * 100] - [(\text{Interest Expenditure} / \text{Average Deposit}) * 100] + [(\text{Operating Expenditure} / \text{Average Deposit}) * 100]$	2.14%	2.41%	Spread (cost of fund) is the difference between Yield on Advances and Cost of Fund. As both the Yield on Advance and Cost of Fund is higher than industry average, Spread is also greater than industry average.

**SBAC Bank Ltd.**  
**Ratio Analysis - December 2018**

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2018	31.12.2018	
1	Liquidity Coverage Ratio (LCR)	[Total Highly Liquid Asset/Total Net Cash Flow]*100	109.77%	349.31%	SBAC Bank meets short term obligations holding higher amount of highly liquid assets than industry. Bank has enough Highly Liquid Asset and Bank is using its Highly Liquid Asset efficiently and effectively by assessing exposure to contingent liquidity events properly.
2	Net Stable funding Ratio (NSFR)	[Available Amount of Stable Funding/Required Amount of Stable Funding]*100	112.58%	126.26%	SBAC Bank maintains a stable funding profile in relation to the composition of its asstes and off-balance sheet activites. SBAC Bank's available amount of stable funding is higher than required amount of stable funding. Net Stable Funding Ratio (NSFR) is higher than industry average.
3	Net Interest Margin (NIM)	[Net Interest Income /Interest Earning Assets]*100	2.20%	5.07%	Percentage of net interest income to average interest-earning asstes during the period of 2018 is significantly higher than industry. NIM increases when Non Performing Loan(NPL) is lower. SBAC Bank's asset quality and its revenue generating ability is better than that of industry.
4	Operating Profit Margin	[Operating Profit/(Interest Income +Investment Income+Non-Interest Income )]*100	25.19%	25.83%	Operating Profit Margin is a profitability or performance ratio that reflects the percentage of profit a company produces from its operations. Operating profit margin reflects SBAC Bank is making 25.83 percent profit from its operation after covering operating and non-operating expenses of the bank which is higher than the industry average .
5	Net Profit Margin	[Net Profit /(Interest Income+ Investment Income+ Non-Interest Income)]*100	9.23%	11.17%	The net profit margin is equal to how much net income or profit is generated as a percentage of income. Net Profit Margin is 11.17 percent which is significantly higher than industry average. Asset Quality of SBAC Bank is good and it has 11.17 percent of total income remaining after keeping aside fund for provision for bad loans and investment and making payment of tax liability.
6	Efficiency Ratio	[Non Interest Expense or Operating Expenses/(Interest Income+Investment Income+Non-Interest Income)]*100	29.38%	25.02%	A bank has two main buckets of expenses: interest and non-interest. Interest expenses are incurred from deposits, short-term and long-term finance, and trading account liabilities. SBAC Bank incurs 25.02 percent operating

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2018	31.12.2018	
					expenses of its total revenue, which is lower than Industry average. SBAC Bank incurs lower operating expenditure and more efficiently uses its resources.
7	Return on Equity	[Net Profit/ Average Total-Sahreholders' Equity]*100	4.40%	12.59%	ROE is considered a measure of the profitability of a company in relation to shareholders' equity. SBAC Bank generates 12.40 percent profit from the money that investors have put into the business which was higher than Industry Average. It reveals management's ability to generate more income from the equity available to it than industry average.
8	Return on Assets	[Net Profit / Average Total Asset]*100	0.30%	1.36%	Return on Asstes (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total asstes. SBAC Bank utilizes its assets more efficiently and effectively than average results of other players in the industry. Bank generates a return of 1.36 percent of its average total asset which is considerably better than industry.
9	Equity Multiplier	Average-Total Asset/Average -Total-Shareholders' Equity	14.17 (Times)	9.28 (Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. SBAC Bank Limited has lower equity multiplier than Industry which means bank incurs less amount of debt to finance its asstes.
10	Debt Equity Ratio	Average-Total Liabilities/Average-Total-Shareholders' Equity	13.06 (Times)	8.28 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operation through debt versus wholly-owned funds. Debt use by SBAC Bank is considerably lower than Industry average, which indicates the strength of the bank.
11	Burden Ratio	[1-(Non-Interest Income/Operating Expenses)]*100	25.69%	26.26%	Burden ratio measure how much of operating expenses is not covered by Non Interest Income. In other words what portion of operating expenses is covered by Interest Income. SBAC Bank's Burden Coverage ratio is 26.26 percent, which is higher than industry average .
12	Burden Coverage Ratio	[Non-Interest Income/Operating Expenses]*100	65.60%	73.74%	Burden Coverage ratio measures portion of operating expenses is covered by Non-interest Income. SBAC Bank's Burden coverage ratio is 73.74 percent, which is higher than industry average and this is a good sign because it shows

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2018	31.12.2018	
					the Bank risk is low.
13	Interest Coverage Ratio	$[\text{Operating Profit} / \text{Interest Expense}] * 100$	50.50%	52.56%	Interest coverage ratio, broadly, is measure of a Bank's ability to meet its financial obligations. The higher the coverage ratio, the easier it should be to make interest payments. SBAC Bank's Interest Coverage Ratio is 52.56, which is higher than industry average.
14	Cost to Income Ratio	$[\text{Operating Expenses} / \text{Operating Income}] * 100$	48.90%	49.20%	Cost Income ratio shows a company's costs in relation to its income. Cost income ratio is slightly higher than industry average due to expansion of the bank's coverage. It has also been increased slightly from the previous year. So it can be said that increase in operating income is proportionately lower than increase in operating expense.
15	Dividend Payout Ratio	$[\text{Total Dividend Payment} / \text{Net Profit After Tax}] * 100$	47.69%	64.32%	Dividend payout ratio gives investors an idea of how much money it returns to its shareholders. SBAC Bank's Dividend Payout ratio is 64.32 Percent means Bank distributes 64.32 percent of its net income after tax.
16	Earnings Per Share (Taka)	$\text{Net Profit After Tax} / \text{Number of Share Outstandings}$	2.64/Share	1.28/Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. SBAC Bank's Earning Per Share(EPS) is 1.41, lower than industry average. SBAC Bank makes BDT 1.41 for each share of its stock.
17	Net Asset Value Per Share (Taka)	$[\text{Total Asset} - \text{Total Liabilities}] / \text{Number of Share Outstandings}$	22.33/Share	13.13/Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. SBAC Bank's Net Asset Value is 13.13 per Share which is lower than Industry average but higher than that of preceeding year.
18	Net Operating Cash Flow per share(Taka)	$[\text{Net Cash Flow from Operating Activities} / \text{Number of Share Outstandings}]$	0.71/Share	5.37/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. SBAC Bank's operating Cash flow per share is above of industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in, excluding cost associated with long-term capital investment. It is similar to operating profit but excluding non-cash items and accruals.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2018	31.12.2018	
19	Free Cash Flow per share(Taka)	[(Net cash from operating activities+Purchase/sale of property,plant and equipment)/Number of Share Outstandings]	0.57/Share	5.21/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. SBAC Bank's Free Cash flow per share is above of industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in.
20	Tier-I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	6.80%	14.92%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for credit risk. The tier 1 capital ratio has to be at least 6%. SBAC Bank tier 1 Capital ratio is 14.92 percent indicates bank's ability of absorbing reasonable amount of losses without risk of failure.
21	Tier-II Capital Ratio	[Supplementary Capital (Tier II)/ Risk Weighted Assets]*100	3.70%	0.96%	Tier-2 capital comprises unaudited retained earnings, unaudited reserves and general loss reserves. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier-II Capital ratio measures supplementary Capital against its Risk Weighted Assets(RWA). SBAC Bank's Tier-1 capital is higher than industry Average but Tier-II Capital is lower than Industry Average. Higher Tier-1 Capital ratio indicates strength of the bank.
22	Capital to Risk Weighted Asset Ratio (CRAR)	[Total Capital/Risk Weighted Assets]*100	10.50%	15.88%	Capital to Risk Weighted Asset Ratio (CRAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk weighted credit exposures. SBAC Bank's Capital to Risk Weighted Asset Ratio is 15.88 percent which is greater than industry average, which show bank's ability to protect depositors and promote the stability and efficiency of financial system.
23	Leverage Ratio	[Core Capital (Tier I)/Total Assets]*100	6.19%	9.71%	Basel III introduced a minimum leverage ratio - with tier 1 capital, it must be at least 3% of total assets. SBAC Bank Leverage ratio is above of industry average.
24	Advance Deposit Ratio	[Loans & Advances/Total Deposit Excluding FC Held against EDF]*100	83.38%	82.50%	The Advance-to-deposit ratio (ADR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. SBAC Bank's ADR is 82.50 percent which is below the industry average.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2018	31.12.2018	
25	Loans & Advances to Total Asset Ratio	$[\text{Loans \& Advance} / \text{Total Assets}] * 100$	72.88%	71.12%	Loans & Advances to Total Assets Ratio measures the portion of Loan and Advance in the total Asset of Bank. SBAC Bank Loans and Advances to Total Asset Ratio is 71.12 Percent which is lower than industry average.
26	Ratio of Non-Performing Loan	$(\text{Classified Loan \& Advance} / \text{Total Loans \& Advance}) * 100$	10.30%	1.97%	Ratio of Non Performing Loans measures the portion of non-performing loans (SS,DF,BL) of its total Loans & Advance Portfolio. Non Performing Loan (NPL) of SBAC Bank is 1.97 percent which is lower than industry average.
27	Cost of Deposits	$[\text{Interest expenditure} / \text{Average Deposit}] * 100$	5.70%	7.43%	Average interest rate paid by SBAC Bank Limited for the funds that it use in its business is higher than the industry average. Bank is focusing on hunting of low cost CASA Deposit to bring the average cost of deposit below industry average.
28	Yield on Loan & Advances	$[\text{Interest Income from Loans \& Advances} / \text{Average Loans \& Advances}] * 100$	9.54%	12.99%	Rate at which Interest Income generated from loans and Advances is the Yield on Loans & Advances. SBAC Bank Yield on Loans & Advances is 12.99 percent, which is higher than Industry Average.
29	Cost of Administration	$[\text{Operating Expenditure} / \text{Average Deposit}] * 100$	2.69%	2.98%	New Branches opened in the recent past years. As a result Cost of Operation increases as new branches requires new people, new location, etc. Cost of Administration of SBAC Bank is higher than the industry average though it is gradually decreasing from year to year.
30	Cost of Fund	$[(\text{Interest Expenditure} / \text{Average Deposit}) * 100] + [(\text{Operating Expenditure} / \text{Average Deposit}) * 100]$	7.72%	10.41%	Cost of Fund (CoF) is the summation of Cost of Deposit (CoD) and Cost of Administration(CoA). Cost of Fund (CoF) of SBAC Bank is higher than industry average.
31	Spread (Cost of Deposit)	$[(\text{Interest Income from Loans \& Advances} / \text{Average Loans \& Advances}) * 100] - [(\text{Interest Expenditure} / \text{Average Deposit}) * 100]$	4.18%	5.56%	Spread (cost of deposit) is the difference between Yield on Advances and Cost of Deposit. As both the Yield on Advance and Cost of Deposit is higher than industry average, Spread is also greater than industry average.
32	Spread (Cost of Fund)	$[(\text{Interest Income from Loans \& Advances} / \text{Average Loans \& Advances}) * 100] - [(\text{Interest Expenditure} / \text{Average Deposit}) * 100] + [(\text{Operating Expenditure} / \text{Average Deposit}) * 100]$	2.02%	2.58%	Spread (cost of fund) is the difference between Yield on Advances and Cost of Fund. As both the Yield on Advance and Cost of Fund is higher than industry average, Spread is also greater than industry average.

**SBAC Bank Ltd.**
**Ratio Analysis - December 2017**

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2017	31.12.2017	
1	Liquidity Coverage Ratio (LCR)	[Total Highly Liquid Asset/Total Net Cash Flow]*100	111.90%	149.07%	SBAC Bank meets short term obligations holding higher amount of highly liquid assets than industry. Bank has enough Highly Liquid Asset and assures that the Bank has the necessary assets on hand to ride out any short-term liquidity disruptions.
2	Net Stable funding Ratio (NSFR)	[Available Amount of Stable Funding/Required Amount of Stable Funding]*100	108.25%	110.57%	SBAC Bank maintains a stable funding profile in relation to the composition of its asstes and off-balance sheet activites. SBAC Bank's available amount of stable funding is higher than required amount of stable funding. Net Stable Funding Ratio (NSFR) is slightly higher than industry average.
3	Net Interest Margin (NIM)	[Net Interest Income /Interest Earning Assets]*100	2.00%	4.54%	Percentage of net interest income to average interest-earning asstes during the period of 2017 is significantly higher than industry. NIM increases when Non Performing Loan(NPL) is lower. SBAC Bank's asset quality and its revenue generating ability is better than that of industry.
4	Operating Profit Margin	[Operating Profit/(Interest Income +Investment Income+Non-Interest Income)]*100	26.06%	29.03%	Operating Profit Margin is a profitability or performance ratio that reflects the percentage of profit a company produces from its operations. Operating profit margin reflects SBAC Bank is making 29.03 percent profit from its operation after covering operating and non-operating expenses of the bank which is higher than the industry average.
5	Net Profit Margin	[Net Profit /(Interest Income+ Investment Income+ Non-Interest Income)]*100	9.53%	15.67%	The net profit margin is equal to how much net income or profit is generated as a percentage of income. Net Profit Margin is 15.67 percent which is significantly higher than industry average. Asset Quality of SBAC Bank is good and it has 15.67 percent of total income remaining after keeping aside fund for provision for bad loans and investment and making payment of tax liability.
6	Efficiency Ratio	[Non Interest Expense or Operating Expenses/(Interest Income+Investment Income+Non-Interest Income)]*100	31.04%	26.25%	A bank has two main buckets of expenses: interest and non-interest. Interest expenses are incurred from deposits, short-term and long-term finance, and trading account liabilities. SBAC Bank incurs 26.25 percent operating expenses of its total revenue, which is lower than Industry average. SBAC Bank incurs lower operating expenditure and more efficiently uses its resources.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2017	31.12.2017	
7	Return on Equity	[Net Profit/ Average Total-Sahreholders' Equity]*100	10.40%	16.16%	ROE is considered a measure of the profitability of a company in relation to shareholders' equity. SBAC Bank generates 16.16 percent profit from the money that investors have put into the business which was higher than Industry Average. It reveals management's ability to generate more income from the equity available to it than industry average.
8	Return on Assets	[Net Profit /Average Total Asset]*100	0.70%	1.88%	Return on Asstes (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total asstes. SBAC Bank utilizes its assets more efficiently and effectively than average results of other players in the industry. Bank generates a return of 1.88 percent of its average total asset which is considerably better than industry.
9	Equity Multiplier	Average-Total Asset/Average - Total-Shareholders' Equity	14.26 (Times)	8.60 (Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. SBAC Bank Limited has lower equity multiplier than Industry which means bank incurs less amount of debt to finance its asstes.
10	Debt Equity Ratio	Average-Total Liabilities/Average-Total-Shareholders' Equity	13.08 (Times)	7.60 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operation through debt versus wholly-owned funds. Debt use by SBAC Bank is considerably lower than Industry average, which indicates the strength of the bank.
11	Burden Ratio	[1-(Non-Interest Income/Operating Expenses)]*100	10.41%	8.70%	Burden ratio measure how much of operating expenses is not covered by Non Interest Income. In other words what portion of operating expenses is covered by Interest Income. SBAC Bank's Burden Coverage ratio is 8.70 percent, which is lower than industry average .
12	Burden Coverage Ratio	[Non-Interest Income/Operating Expenses]*100	82.99%	91.30%	Burden Coverage ratio measures portion of operating expenses is covered by Non-interest Income. SBAC Bank's Burden coverage ratio is 91.30 percent, which is higher than industry average and this is a good sign because it shows the Bank risk is low.
13	Interest Coverage Ratio	[Operating Profit / Interest Expense]*100	54.23%	64.92%	Interest coverage ratio, broadly, is measure of a Bank's ability to meet its financial obligations. The higher the coverage ratio, the easier it should be to make interest payments. SBAC Bank's Interest Coverage Ratio is 64.92, which is higher than industry average.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2017	31.12.2017	
14	Cost to Income Ratio	$[\text{Operating Expenses}/\text{Operating Income}] * 100$	49.62%	47.48%	Cost to income ratio is the measurement that is used in the company in order to evaluate its efficiency. The lower the cost to income ratio is the better for the company's performance. Cost income ratio of SBAC Bank is lower than industry average & it is better for the Bank.
15	Dividend Payout Ratio	$[\text{Total Dividend Payment}/\text{Net Profit After Tax}] * 100$	79.28%	68.53%	Dividend payout ratio gives investors an idea of how much money it returns to its shareholders. SBAC Bank's Dividend Payout ratio is 68.53 Percent means Bank distributes 68.53 percent of its net income after tax.
16	Earnings Per Share (Taka)	Net Profit After Tax/Number of Share Outstandings	2.59/Share	1.43/Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. SBAC Bank's Earning Per Share(EPS) is 1.74, lower than industry average. SBAC Bank makes BDT 1.74 for each share of its stock.
17	Net Asset Value Per Share (Taka)	$[\text{Total Asset}-\text{Total Liabilities}]/\text{Number of Share Outstandings}$	22.17/Share	13.12/Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. SBAC Bank's Net Asset Value is 13.12 per Share which is lower than Industry average but higher than that of preceeding year.
18	Net Operating Cash Flow per share(Taka)	$[\text{Net Cash Flow from Operating Activities}/\text{Number of Share Outstandings}]$	1.89/Share	0.36/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. SBAC Bank's operating Cash flow per share is below industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in, excluding cost associated with long-term capital investment. It is similar to operating profit but excluding non-cash items and accruals.
19	Free Cash Flow per share(Taka)	$[(\text{Net cash from operating activities} + \text{Purchase/sale of property, plant and equipment})/\text{Number of Share Outstandings}]$	1.66/Share	0.12/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. SBAC Bank's Free Cash flow per share is below the industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in.
20	Tier-I Capital Ratio	$[\text{Core Capital (Tier I)}/\text{Risk Weighted Assets}] * 100$	7.60%	15.31%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for credit risk. The tier 1 capital ratio has to be at least 6%. SBAC Bank tier 1 Capital ratio is 15.30 percent indicates bank's ability of absorbing reasonable amount of losses without risk of failure.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2017	31.12.2017	
21	Tier-II Capital Ratio	[Supplementary Capital (Tier II)/ Risk Weighted Assets]*100	3.20%	1.24%	Tier-2 capital comprises unaudited retained earnings, unaudited reserves and general loss reserves. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier-II Capital ratio measures supplementary Capital against its Risk Weighted Assets(RWA). SBAC Bank's Tier-1 capital is higher than industry Average but Tier-II Capital is lower than Industry Average. Higher Tier-1 Capital ratio indicates strength of the bank.
22	Capital to Risk Weighted Asset Ratio (CRAR)	[Total Capital/Risk Weighted Assets]*100	10.80%	16.54%	Capital to Risk Weighted Asset Ratio (CRAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk weighted credit exposures. SBAC Bank's Capital to Risk Weighted Asset Ratio (CRAR) is 16.54 percent which is greater than industry average, which show bank's ability to protect depositors and promote the stability and efficiency of financial system.
23	Leverage Ratio	[Core Capital (Tier I)/Total Assets]*100	6.10%	10.11%	Basel III introduced a minimum leverage ratio - with tier 1 capital, it must be at least 3% of total assets. SBAC Bank Leverage ratio is above of industry average.
24	Advance Deposit Ratio	[Loans & Advances/Total Deposit Excluding FC Held against EDF]*100	83.50%	83.99%	The Advance-to-deposit ratio (ADR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. SBAC Bank's ADR is 83.99 percent which is just above the industry average.
25	Loans & Advances to Total Asset Ratio	[Loans & Advance/Total Assets]*100	71.94%	73.44%	Loans & Advances to Total Assets Ratio measures the portion of Loan and Advance in the total Asset of Bank. SBAC Bank Loans and Advances to Total Asset Ratio is 73.44 Percent which is lower than industry average.
26	Ratio of Non-Performing Loan	(Classified Loan & Advance/Total Loans & Advance)*100	9.30%	0.87%	Ratio of Non Performing Loans measures the portion of non-performing loans (SS,DF,BL) of its total Loans & Advance Portfolio. Non Performing Loan (NPL) of SBAC Bank is 0.87 percent which is lower than industry average.
27	Cost of Deposits	[Interest expenditure/Average Deposit]*100	5.10%	6.40%	Average interest rate paid by SBAC Bank Limited for the funds that it use in its business is higher than the industry average. Bank is focusing on hunting of low cost CASA Deposit to bring the average cost of deposit below industry average.
28	Yield on Loan & Advances	[Interest Income from Loans & Advances/Average Loans & Advances]*100	8.75%	12.03%	Rate at which Interest Income generated from loans and Advances is the Yield on Loans & Advances. SBAC Bank Yield on Loans & Advances is 12.03 percent, which is higher than

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2017	31.12.2017	
					Industry Average.
29	Cost of Administration	$[\text{Operating Expenditure}/\text{Average Deposit}]*100$	2.79%	3.11%	New Branches opened in the recent past years. As a result Cost of Operation increases as new branches requires new people, new location, etc. Cost of Administration of SBAC Bank is higher than the industry average though it is gradually decreasing from year to year.
30	Cost of Fund	$[(\text{Interest Expenditure}/\text{Average Deposit})*100]+[(\text{Operating Expenditure}/\text{Average Deposit})*100]$	7.17%	9.51%	Cost of Fund (CoF) is the summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Cost of Fund (CoF) of SBAC Bank is higher than industry average.
31	Spread (Cost of Deposit)	$[(\text{Interest Income from Loans \& Advances}/\text{Average Loans \& Advances})*100]-[(\text{Interest Expenditure}/\text{Average Deposit})*100]$	4.09%	5.63%	Spread (cost of deposit) is the difference between Yield on Advances and Cost of Deposit. As both the Yield on Advance and Cost of Deposit is higher than industry average, Spread is also greater than industry average.
32	Spread (Cost of Fund)	$[(\text{Interest Income from Loans \& Advances}/\text{Average Loans \& Advances})*100]-[(\text{Interest Expenditure}/\text{Average Deposit})*100]+[\text{Operating Expenditure}/\text{Average Deposit})*100]$	1.86%	2.52%	Spread (cost of fund) is the difference between Yield on Advances and Cost of Fund. As both the Yield on Advance and Cost of Fund is higher than industry average, Spread is also greater than industry average.

**SBAC Bank Ltd.**  
**Ratio Analysis - December 2016**

SI	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2016	31.12.2016	
1	Liquidity Coverage Ratio (LCR)	$[\text{Total Highly Liquid Asset} / \text{Total Net Cash Flow}] * 100$	125.68%	320.45%	SBAC Bank meets short-term obligations holding higher amount of highly liquid assets than industry. Bank has enough Highly Liquid Asset and assures that the Bank has the necessary assets on hand to ride out any short-term liquidity disruptions.
2	Net Stable funding Ratio (NSFR)	$[\text{Available Amount of Stable Funding} / \text{Required Amount of Stable Funding}] * 100$	108.96%	124.34%	SBAC Bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. SBAC Bank's available amount of stable funding is higher than required amount of stable funding. Net Stable Funding Ratio (NSFR) is higher than industry average.
3	Net Interest Margin (NIM)	$[\text{Net Interest Income} / \text{Interest Earning Assets}] * 100$	1.90%	5.09%	Percentage of net interest income to average interest-earning assets during the period of 2016 is significantly higher than industry. NIM increases when Non Performing Loan (NPL) is lower. SBAC Bank's asset quality and its revenue generating ability is better than that of industry.
4	Operating Profit Margin	$[\text{Operating Profit} / (\text{Interest Income} + \text{Investment Income} + \text{Non-Interest Income})] * 100$	24.30%	28.84%	Operating Profit Margin is a profitability or performance ratio that reflects the percentage of profit a company produces from its operations. Operating profit margin reflects SBAC Bank is making 28.84 percent profit from its operation after covering operating and non-operating expenses of the bank which is higher than the industry average.
5	Net Profit Margin	$[\text{Net Profit} / (\text{Interest Income} + \text{Investment Income} + \text{Non-Interest Income})] * 100$	9.35%	18.02%	The net profit margin is equal to how much net income or profit is generated as a percentage of income. Net Profit Margin is 18.02 percent which is significantly higher than industry average. Asset Quality of SBAC Bank is good and it has 18.02 percent of total income remaining after keeping aside fund for provision for bad loans and investment and making payment of tax liability.
6	Efficiency Ratio	$[\text{Non Interest Expense or Operating Expenses} / (\text{Interest Income} + \text{Investment Income} + \text{Non-Interest Income})] * 100$	31.61%	27.37%	A bank has two main buckets of expenses: interest and non-interest. Interest expenses are incurred from deposits, short-term and long-term finance, and trading account liabilities. SBAC Bank incurs 27.37 percent operating expenses of its total revenue, which is lower than industry average. SBAC Bank incurs lower operating expenditure and more efficiently uses its resources.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2016	31.12.2016	
7	Return on Equity	$[\text{Net Profit} / \text{Average Total-Sahreholders' Equity}] * 100$	9.70%	18.09%	ROE is considered a measure of the profitability of a company in relation to shareholders' equity. SBAC Bank generates 18.09 percent profit from the money that investors have put into the business, which was higher than Industry Average. It reveals management's ability to generate more income from the equity available to it than industry average.
8	Return on Assets	$[\text{Net Profit} / \text{Average Total Asset}] * 100$	0.70%	2.31%	Return on Asstes (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total asstes. SBAC Bank utilizes its assets more efficiently and effectively than average results of other players in the industry. Bank generates a return of 2.31 percent of its average total asset, which is considerably better than industry.
9	Equity Multiplier	$\text{Average-Total Asset} / \text{Average Total-Shareholders' Equity}$	12.98 (Times)	7.84 (Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. SBAC Bank Limited has lower equity multiplier than Industry which means bank incurs less amount of debt to finance its asstes.
10	Debt Equity Ratio	$\text{Average-Total Liabilities} / \text{Average-Total-Shareholders' Equity}$	12.38 (Times)	6.84 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operation through debt versus wholly-owned funds. Debt use by SBAC Bank is considerably lower than Industry average, which indicates the strength of the bank.
11	Burden Ratio	$[1 - (\text{Non-Interest Income} / \text{Operating Expenses})] * 100$	12.44%	1.16%	Burden ratio measure how much of operating expenses is not covered by Non Interest Income. In other words what portion of operating expenses is covered by Interest Income. SBAC Bank's Burden Coverage ratio is 1.16 percent, which is lower than industry average.
12	Burden Coverage Ratio	$[\text{Non-Interest Income} / \text{Operating Expenses}] * 100$	79.20%	98.84%	Burden Coverage ratio measures portion of operating expenses is covered by Non-interest Income. SBAC Bank's Burden coverage ratio is 98.84 percent, which is higher than industry average and this is a good sign because it shows the Bank risk is low.
13	Interest Coverage Ratio	$[\text{Operating Profit} / \text{Interest Expense}] * 100$	49.11%	65.87%	Interest coverage ratio, broadly, is measure of a Bank's ability to meet its financial obligations. The higher the coverage ratio, the easier it should be to make interest payments. SBAC Bank's Interest Coverage Ratio is 65.87, which is higher than industry average.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2016	31.12.2016	
14	Cost to Income Ratio	[Operating Expenses/Operating Income]*100	51.79%	48.69%	Cost to income ratio is the measurement that is used in the company in order to evaluate its efficiency. The lower the cost to income ratio is the better for the company's performance. Cost income ratio of SBAC Bank is lower than industry average & its better for the Bank.
15	Dividend Payout Ratio	[Total Dividend Payment/Net Profit After Tax]*100	63.81%	68.48%	Dividend payout ratio gives investors an idea of how much money it returns to its shareholders. SBAC Bank's Dividend Payout ratio is 68.48 Percent means Bank distributes 68.48 percent of its net income after tax.
16	Earnings Per Share (Taka)	Net Profit After Tax/Number of Share Outstandings	2.46/Share	1.39/Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. SBAC Bank's Earning Per Share(EPS) is 1.90, lower than industry average. SBAC Bank makes BDT 1.90 for each share of its stock.
17	Net Asset Value Per Share (Taka)	[Total Asset-Total Liabilities)/Number of Share Outstandings]	22.19/Share	12.96/Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. SBAC Bank's Net Asset Value is 12.96 per Share which is lower than Industry average but higher than that of preceding year.
18	Net Operating Cash Flow per share(Taka)	[Net Cash Flow from Operating Activities/Number of Share Outstandings]	6.29/Share	2.78/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. SBAC Bank's operating Cash flow per share is below industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in, excluding cost associated with long-term capital investment. It is similar to operating profit but excluding non-cash items and accruals.
19	Free Cash Flow per share(Taka)	[(Net cash from operating activities+Purchase/sale of property,plant and equipment)/Number of Share Outstandings]	6.45/Share	2.63/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. SBAC Bank's Free Cash flow per share is below the industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in.
20	Tier-I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	7.90%	17.58%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for credit risk. The tier 1 capital ratio has to be at least 6%. SBAC Bank tier 1 Capital ratio is 17.58 percent indicates bank's ability of absorbing reasonable amount of losses without risk of failure.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2016	31.12.2016	
21	Tier-II Capital Ratio	[Supplementary Capital (Tier II)/ Risk Weighted Assets]*100	2.90%	1.01%	Tier-2 capital comprises unaudited retained earnings, unaudited reserves and general loss reserves. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier-II Capital ratio measures supplementary Capital against its Risk Weighted Assets(RWA). SBAC Bank's Tier-1 capital is higher than industry Average but Tier-II Capital is lower than Industry Average. Higher Tier-1 Capital ratio indicates strength of the bank.
22	Capital to Risk Weighted Asset Ratio (CRAR)	[Total Capital/Risk Weighted Assets]*100	10.80%	18.59%	Capital to Risk Weighted Asset Ratio (CRAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk weighted credit exposures. SBAC Bank's Capital to Risk Weighted Asset Ratio (CRAR) is 18.59 percent which is greater than industry average, which show bank's ability to protect depositors and promote the stability and efficiency of financial system.
23	Leverage Ratio	[Core Capital (Tier I)/Total Assets]*100	6.61%	11.16%	Basel III introduced a minimum leverage ratio - with tier 1 capital, it must be at least 3% of total assets. SBAC Bank Leverage ratio is above of industry average.
24	Advance Deposit Ratio	[Loans & Advances/Total Deposit Excluding FC Held against EDF]*100	80.03%	78.71%	The Advance-to-deposit ratio (ADR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. SBAC Bank's ADR is 78.71 percent i.e., Bank is maintaining its ADR within the limit specified by the regulatory authority.
25	Loans & Advances to Total Asset Ratio	[Loans & Advance/Total Assets]*100	67.56%	66.17%	Loans & Advances to Total Assets Ratio measures the portion of Loan and Advance in the total Asset of Bank. SBAC Bank Loans and Advances to Total Asset Ratio is 66.17 percent which is lower than industry average.
26	Ratio of Non-Performing Loan	(Classified Loan & Advance/Total Loans & Advance)*100	9.20%	0.00%	Ratio of Non Performing Loans measures the portion of non-performing loans (SS,DF,BL) of its total Loans & Advance Portfolio. Non Performing Loan (NPL) of SBAC Bank is NIL which indicates strong asset quality of the Bank.
27	Cost of Deposits	[Interest expenditure/ Average Deposit]*100	5.59%	6.34%	Average interest rate paid by SBAC Bank Limited for the funds that it use in its business is higher than the industry average. Bank is focusing on hunting of low cost CASA Deposit to bring the average cost of deposit below industry average.
28	Yield on Loan & Advances	[Interest Income from Loans & Advances/ Average Loans & Advances]*100	9.85%	12.67%	Rate at which Interest Income generated from loans and Advances is the Yield on Loans & Advances. SBAC Bank Yield on Loans & Advances is 12.67 percent, which is higher than Industry Average.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2016	31.12.2016	
29	Cost of Administration	$[\text{Operating Expenditure} / \text{Average Deposit}] * 100$	3.03%	3.13%	New Branches opened in the recent past years. As a result Cost of Operation increases as new branches requires new people, new location, etc. Cost of Administration of SBAC Bank is higher than the industry average though it is gradually decreasing from year to year.
30	Cost of Fund	$[(\text{Interest Expenditure} / \text{Average Deposit}) * 100] + [(\text{Operating Expenditure} / \text{Average Deposit}) * 100]$	7.64%	9.47%	Cost of Fund (CoF) is the summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Cost of Fund (CoF) of SBAC Bank is higher than industry average.
31	Spread (Cost of Deposit)	$[(\text{Interest Income from Loans \& Advances} / \text{Average Loans \& Advances}) * 100] - [(\text{Interest Expenditure} / \text{Average Deposit}) * 100]$	4.64%	6.33%	Spread (cost of deposit) is the difference between Yield on Advances and Cost of Deposit. As both the Yield on Advance and Cost of Deposit is higher than industry average, Spread is also greater than industry average.
32	Spread (Cost of Fund)	$[(\text{Interest Income from Loans \& Advances} / \text{Average Loans \& Advances}) * 100] - [(\text{Interest Expenditure} / \text{Average Deposit}) * 100] + [(\text{Operating Expenditure} / \text{Average Deposit}) * 100]$	2.43%	3.20%	Spread (cost of fund) is the difference between Yield on Advances and Cost of Fund. As both the Yield on Advance and Cost of Fund is higher than industry average, Spread is also greater than industry average.

**SBAC Bank Ltd.**  
**Ratio Analysis - December 2015**

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2015	31.12.2015	
1	Liquidity Coverage Ratio (LCR)	[Total Highly Liquid Asset/Total Net Cash Flow]*100	144.43%	522.39%	SBAC Bank meets short term obligations holding higher amount of highly liquid assets than industry. Bank has enough Highly Liquid Asset and assures that the Bank has the necessary assets on hand to ride out any short-term liquidity disruptions.
2	Net Stable funding Ratio (NSFR)	[Available Amount of Stable Funding/Required Amount of Stable Funding]*100	108.13%	134.19%	SBAC Bank maintains a stable funding profile in relation to the composition of its asstes and off-balance sheet activites. SBAC Bank's available amount of stable funding is higher than required amount of stable funding. Net Stable Funding Ratio (NSFR) is higher than industry average.
3	Net Interest Margin (NIM)	[Net Interest Income /Interest Earning Assets]*100	1.70%	3.50%	Percentage of net interest income to average interest-earning asstes during the period of 2015 is significantly higher than industry. NIM increases when Non Performing Loan(NPL) is lower. SBAC Bank's asset quality and its revenue generating ability is better than that of industry.
4	Operating Profit Margin	[Operating Profit/(Interest Income +Investment Income+Non-Interest Income )]*100	22.40%	20.77%	Operating Profit Margin is a profitability or performance ratio that reflects the percentage of profit a company produces from its operations. Operating profit margin reflects SBAC Bank is making 20.77 percent profit from its operation after covering operating and non-operating expenses of the bank which is lower than the industry average .
5	Net Profit Margin	[Net Profit / (Interest Income+ Investment Income+ Non-Interest Income)]*100	9.13%	9.22%	The net profit margin is equal to how much net income or profit is generated as a percentage of income. Net Profit Margin is 9.22 percent which is slightly higher than industry average. Asset Quality of SBAC Bank is good and it has 9.22 percent of total income remaining after keeping aside fund for provision for bad loans and investment and making payment of tax liability.
6	Efficiency Ratio	[Non Interest Expense or Operating Expenses/(Interest Income+Investment Income+Non-Interest Income)]*100	27.86%	26.42%	A bank has two main buckets of expenses: interest and non-interest. Interest expenses are incurred from deposits, short-term and long-term finances, and trading account liabilities. SBAC Bank incurs 26.42 percent operating

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2015	31.12.2015	
					expenses of its total revenue, which is lower than Industry average. SBAC Bank incurs lower operating expenditure and more efficiently uses its resources.
7	Return on Equity	[Net Profit/ Average Total-Sahreholders' Equity]*100	9.40%	8.75%	SBAC Bank generates 7.85 percent profit from the money that investors have put into the business which is lower than Industry Average.
8	Return on Assets	[Net Profit / Average Total Asset]*100	0.80%	1.18%	Return on Asstes (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total asstes. SBAC Bank utilizes its assets more efficiently and effectively than average results of other players in the industry. Bank generates a return of 1.18 percent of its average total asset which is considerably better than industry.
9	Equity Multiplier	Average-Total Asset/ Average -Total-Shareholders' Equity	12.52 (Times)	6.63 (Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. SBAC Bank Limited has lower equity multiplier than Industry which means bank incurs less amount of debt to finance its asstes.
10	Debt Equity Ratio	Average-Total Liabilities/ Average-Total-Shareholders' Equity	11.98 (Times)	5.63 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operation through debt versus wholly-owned funds. Debt use by SBAC Bank is considerably lower than Industry average, which indicates the strength of the bank.
11	Burden Ratio	[1-(Non-Interest Income/Operating Expenses)]*100	4.85%	0.53%	Burden ratio measure how much of operating expenses is not covered by Non Interest Income. In other words what portion of operating expenses is covered by Interest Income. SBAC Bank's Burden Coverage ratio is 0.53 percent, which is lower than industry average .
12	Burden Coverage Ratio	[Non-Interest Income/Operating Expenses]*100	85.99%	99.47%	Burden Coverage ratio measures portion of operating expenses is covered by Non-interest Income. SBAC Bank's Burden coverage ratio is 99.47 percent, which is higher than industry average and this is a good sign because it shows the Bank risk is low.
13	Interest Coverage Ratio	[Operating Profit / Interest Expense]*100	40.94%	39.32%	Interest coverage ratio, broadly, is measure of a Bank's ability to meet its financial obligations. The higher the coverage ratio, the easier it should be to make interest

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2015	31.12.2015	
					payments. SBAC Bank's Interest Coverage Ratio is 39.32, which is slightly lower than industry average.
14	Cost to Income Ratio	[Operating Expenses/Operating Income]*100	50.16%	56.00%	Cost to income ratio is the measurement that is used in the company in order to evaluate its efficiency. The lower the cost to income ratio is the better for the company's performance. Cost income ratio of SBAC Bank is higher than industry average.
15	Dividend Payout Ratio	[Total Dividend Payment/Net Profit After Tax]*100	63.78%	68.55%	Dividend payout ratio gives investors an idea of how much money it returns to its shareholders. SBAC Bank's Dividend Payout ratio is 68.55 Percent means Bank distributes 68.55 percent of its net income after tax.
16	Earnings Per Share (Taka)	Net Profit After Tax/Number of Share Outstandings	2.60/Share	0.52/Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. SBAC Bank's Earning Per Share(EPS) is 0.83, lower than industry average. SBAC Bank makes BDT 0.83 for each share of its stock.
17	Net Asset Value Per Share (Taka)	[Total Asset-Total Liabilities)/Number of Share Outstandings]	23.09/Share	11.93/Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. SBAC Bank's Net Asset Value is 11.93 per Share which is lower than Industry average.
18	Net Operating Cash Flow per share(Taka)	[Net Cash Flow from Operating Activities/Number of Share Outstandings]	10.81/Share	5.21/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. SBAC Bank's operating Cash flow per share is below the industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in, excluding cost associated with long-term capital investment. It is similar to operating profit but excluding non-cash items and accruals.
19	Free Cash Flow per share(Taka)	[(Net cash from operating activities+Purchase/sale of property,plant and equipment)/Number of Share Outstandings]	11.80/Share	4.82/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. SBAC Bank's Free Cash flow per share is below the industry average. It refers to the amount of cash SBAC Bank generates from the revenues it brings in.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2015	31.12.2015	
20	Tier-I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	8.20%	20.15%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for credit risk. The tier 1 capital ratio has to be at least 6%. SBAC Bank tier 1 Capital ratio is 20.15 percent indicates bank's ability of absorbing reasonable amount of losses without risk of failure.
21	Tier-II Capital Ratio	[Supplementary Capital (Tier II)/ Risk Weighted Assets]*100	2.60%	1.04%	Tier-2 capital comprises unaudited retained earnings, unaudited reserves and general loss reserves. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier-II Capital ratio measures supplementary Capital against its Risk Weighted Assets(RWA). SBAC Bank's Tier-1 capital is higher than industry Average but Tier-II Capital is lower than Industry Average. Higher Tier-1 Capital ratio indicates strength of the bank.
22	Capital to Risk Weighted Asset Ratio (CRAR)	[Total Capital/Risk Weighted Assets]*100	10.80%	21.19%	Capital to Risk Weighted Asset Ratio (CRAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk weighted credit exposures. SBAC Bank's Capital to Risk Weighted Asset Ratio (CRAR) is 18.93 percent which is greater than industry average, which show bank's ability to protect depositors and promote the stability and efficiency of financial system.
23	Leverage Ratio	[Core Capital (Tier I)/Total Assets]*100	6.78%	11.76%	Basel III introduced a minimum leverage ratio - with tier 1 capital, it must be at least 3% of total assets. SBAC Bank Leverage ratio is above of industry average.
24	Advance Deposit Ratio	[Loans & Advances/Total Deposit Excluding FC Held against EDF]*100	66.34%	75.15%	The Advance-to-deposit ratio (ADR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. SBAC Bank's ADR is 75.15 percent i.e., Bank is maintaining its ADR within the limit specified by the regulatory authority.
25	Loans & Advances to Total Asset Ratio	[Loans & Advance/Total Assets]*100	67.29%	63.04%	Loans & Advances to Total Assets Ratio measures the portion of Loan and Advance in the total Asset of Bank. SBAC Bank Loans and Advances to Total Asset Ratio is 63.04 percent which is lower than industry average.

Sl	Particulars	Formula	Average	SBAC Bank	Remarks
			31.12.2015	31.12.2015	
26	Ratio of Non-Performing Loan	(Classified Loan & Advance/Total Loans & Advance)*100	8.80%	0.10%	Ratio of Non Performing Loans measures the portion of non-performing loans (SS,DF,BL) of its total Loans & Advance Portfolio. Non Performing Loan (NPL) of SBAC Bank is 0.10 percent which is lower than industry average and indicates better performance of the Bank.
27	Cost of Deposits	[Interest expenditure/ Average Deposit]*100	6.97%	7.75%	Average interest rate paid by SBAC Bank Limited for the funds that it use in its business is higher than the industry average. Bank is focusing on hunting of low cost CASA Deposit to bring the average cost of deposit below industry average.
28	Yield on Loan & Advances	[Interest Income from Loans & Advances/ Average Loans & Advances]*100	11.37%	14.10%	Rate at which Interest Income generated from loans and Advances is the Yield on Loans & Advances. SBAC Bank Yield on Loans & Advances is 14.10 percent, which is higher than Industry Average.
29	Cost of Administration	[Operating Expenditure/ Average Deposit]*100	2.99%	3.20%	Branch network is increasing by opening of new branches. Cost of Operation increases as new branches requires new people, new location, etc. As a result Cost of Administration of SBAC Bank is higher than the industry average.
30	Cost of Fund	[(Interest Expenditure/ Average Deposit)*100]+[(Operating Expenditure/ Average Deposit)*100]	9.27%	10.95%	Cost of Fund (CoF) is the summation of Cost of Deposit (CoD) and Cost of Administration(CoA). Cost of Fund (CoF) of SBAC Bank is higher than industry average.
31	Spread (Cost of Deposit)	[(Interest Income from Loans & Advances/ Average Loans & Advances)*100]-[(Interest Expenditure/ Average Deposit )*100]	4.81%	6.35%	Spread (cost of deposit) is the difference between Yield on Advances and Cost of Deposit. As both the Yield on Advance and Cost of Deposit is higher than industry average, Spread is also greater than industry average.
32	Spread (Cost of Fund)	[(Interest Income from Loans & Advances/ Average Loans & Advances)*100]-[(Interest Expenditure/ Average Deposit)*100] +[Operting Expenditure/ Average Deposit]*100]	2.43%	3.15%	Spread (cost of fund) is the difference between Yield on Advances and Cost of Fund. As both the Yield on Advance and Cost of Fund is higher than industry average, Spread is also greater than industry average.

(d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

**South Bangla Agriculture and Commerce Bank Limited**  
**Auditor's Report under Section-135(I), Para 24 (I), of Part -II of Schedule III to the Companies Act 1994**

As required under Section-135(I), Para 24 (I), of Part -II of Schedule III to the Companies Act 1994, management of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') has prepared the following statements of its assets and liabilities as at 30 September 2020, 31 December of 2019, 2018, 2017, 2016 and 2015 and profit and loss accounts for the nine months ended 30 September 2020 and for the year ended of 31 December 2019, 2018, 2017, 2016 and 2015 and submitted those to us for working and issuance of our We, as the auditors of the Bank, having examined the financial statements of the Bank for the nine months ended 30 September 2020 and for the year ended 31 December 2019 as well as the Bank's financial statements for the year ended 31 December 2018, 2017, 2016 and 2015, hereby confirm that the following information has been correctly extracted from those audited financial statements.

**(A) Statement of assets and liabilities**

Particulars	30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
<b>PROPERTY AND ASSETS</b>						
<b>Cash</b>						
Cash in hand (Including foreign currencies)	831,755,255	759,249,747	546,096,482	463,165,656	335,651,998	268,672,224
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3,930,522,768	3,677,346,131	3,542,292,096	3,060,880,987	2,373,813,862	1,900,452,362
	<b>4,762,278,023</b>	<b>4,436,595,878</b>	<b>4,088,388,578</b>	<b>3,524,046,643</b>	<b>2,709,465,860</b>	<b>2,169,124,587</b>
<b>Balance with other banks and financial institutions</b>						
In Bangladesh	7,937,790,884	6,414,432,491	6,693,349,087	4,001,749,184	6,211,056,496	5,236,817,127
Outside Bangladesh	241,489,980	602,464,661	345,496,114	146,016,589	135,210,292	96,650,301
	<b>8,179,280,864</b>	<b>7,016,897,152</b>	<b>7,038,845,201</b>	<b>4,147,765,773</b>	<b>6,346,266,788</b>	<b>5,333,467,429</b>
<b>Money at call on short notice</b>	-	-	80,000,000	-	186,000,000	150,000,000
<b>Investments:</b>						
Government	10,517,837,509	15,034,413,947	7,032,555,300	6,390,878,377	4,681,491,529	4,634,934,659
Others	151,679	195,470	-	-	-	35,298,356
	<b>10,517,989,188</b>	<b>15,034,609,417</b>	<b>7,032,555,300</b>	<b>6,390,878,377</b>	<b>4,681,491,529</b>	<b>4,670,233,015</b>
<b>Loans and advances</b>						
Loans, cash credit, overdrafts etc.	56,680,687,384	54,658,125,375	49,072,696,441	41,353,266,835	28,306,481,017	21,099,757,056
Bills purchased and discounted	1,236,757,722	1,342,612,104	1,182,244,003	1,931,698,390	1,867,611,799	2,028,530,780
	<b>57,917,445,106</b>	<b>56,000,737,479</b>	<b>50,254,940,444</b>	<b>43,284,965,225</b>	<b>30,174,092,816</b>	<b>23,128,287,837</b>
Fixed assets including premises, furniture and fixtures	1,399,795,482	442,767,868	456,893,760	479,756,109	468,795,762	482,500,159
Other assets	2,721,408,053	1,632,397,650	1,709,684,983	1,113,371,751	1,033,871,858	754,322,370
Non-banking assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>85,498,196,716</b>	<b>84,564,005,444</b>	<b>70,661,308,266</b>	<b>58,940,783,878</b>	<b>45,599,984,613</b>	<b>36,687,935,396</b>

**LIABILITIES AND CAPITAL**
**Liabilities**

Borrowings from other banks, financial institutions and agents 2,880,334,741 1,117,039,452 801,154,383 398,414,216 282,066,258 231,830,583

**Deposits and other accounts**

Current accounts and other accounts	6,397,400,553	5,502,072,087	4,747,675,498	3,436,316,085	3,033,998,158	2,162,901,318
Special notice deposits	2,589,651,802	3,026,636,791	2,140,632,984	1,487,081,252	1,673,239,342	2,879,373,981
Bills payable	2,485,651,234	2,420,680,927	1,651,823,035	1,378,779,929	1,255,470,065	272,047,778
Savings bank deposits	5,661,071,326	4,329,308,387	2,758,438,251	1,833,217,886	1,284,222,550	837,694,896
Fixed deposits	38,036,597,208	45,341,898,712	41,543,319,087	38,447,684,399	28,189,998,960	22,626,106,757
Other deposits	12,365,137,289	10,919,565,884	6,462,443,267	3,538,410,916	2,900,271,526	1,997,260,205
	<b>67,535,509,412</b>	<b>71,540,162,788</b>	<b>59,304,332,122</b>	<b>50,121,490,467</b>	<b>38,337,200,601</b>	<b>30,775,384,934</b>

Subordinated bonds -

Other liabilities 6,056,387,068 3,543,841,415 3,126,109,849 1,881,887,053 1,364,386,983 800,507,950

**TOTAL LIABILITIES**

**76,472,231,221 76,201,043,655 63,231,596,354 52,401,791,736 39,983,653,842 31,807,723,467**

**Capital/ Shareholders' equity**

Paid up capital	6,846,455,170	6,224,050,160	5,658,227,420	4,985,222,400	4,334,976,000	4,089,600,000
Statutory reserve	1,479,777,861	1,479,777,861	1,126,907,844	798,663,282	495,076,904	205,900,450
General reserve	-	-	-	-	-	-
Other reserve (revaluation reserve on Govt. Securities)	44,848,950	27,595,805	61,948,106	50,815,472	110,189,960	323,527,836
Surplus in profit and loss account	654,883,514	631,537,963	582,628,542	704,290,988	676,087,907	261,183,643

**TOTAL SHAREHOLDERS' EQUITY**

**9,025,965,495 8,362,961,789 7,429,711,912 6,538,992,142 5,616,330,771 4,880,211,929**

**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY 85,498,196,716 84,564,005,444 70,661,308,266 58,940,783,878 45,599,984,613 36,687,935,396**

It may be noted here that the statutory audit for the years 2018, 2017, 2016 had been conducted by Khan Wahab Shafique Rahman & Co., Chartered Accountants and 2015 had been conducted by Masih Muhith Haque & Co, Chartered Accountants.

Sd/-

Dhaka, 11 January 2021

**Hoda Vasi Chowdhury & Co**  
Chartered Accountants

**South Bangla Agriculture and Commerce Bank Limited**  
**Auditor's Report under Section-135(I), Para 24 (I), of Part -II of Schedule III to the Companies Act 1994**

**(B) Statement of profit and loss**

Particulars	30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Interest income	4,638,102,014	7,357,320,782	6,420,411,360	4,764,888,426	3,843,962,422	2,861,104,335
Less: Interest paid on deposits and borrowings etc.	3,719,935,563	4,847,319,359	3,869,220,483	2,802,476,484	2,307,330,523	2,049,815,201
<b>Net interest income</b>	<b>918,166,451</b>	<b>2,510,001,423</b>	<b>2,551,190,877</b>	<b>1,962,411,942</b>	<b>1,536,631,899</b>	<b>811,289,134</b>
Investment income	1,399,926,768	1,217,521,317	917,544,683	1,006,844,262	1,143,568,991	833,150,116
Commission, exchange and brokerage	307,246,495	504,392,528	443,208,538	418,979,605	213,022,174	138,066,068
Other operating income	70,177,476	120,802,400	91,985,575	87,882,281	68,843,851	48,895,043
	<b>1,777,350,739</b>	<b>1,842,716,245</b>	<b>1,452,738,796</b>	<b>1,513,706,149</b>	<b>1,425,435,016</b>	<b>1,020,111,227</b>
<b>Total operating income</b>	<b>2,695,517,190</b>	<b>4,352,717,668</b>	<b>4,003,929,673</b>	<b>3,476,118,091</b>	<b>2,962,066,915</b>	<b>1,831,400,361</b>
Salary and allowances	882,371,982	1,111,827,997	947,587,804	791,398,022	594,936,744	474,277,078
Rent, taxes, insurance, electricity etc.	125,087,655	349,335,499	373,375,007	320,350,708	264,422,335	213,124,542
Legal and professional expenses	982,857	2,029,791	3,484,322	1,862,941	915,275	1,643,958
Postage, stamp, telecommunication etc.	8,582,413	13,336,285	13,337,981	27,486,903	23,565,732	18,608,732
Stationery, printing, advertisement etc.	28,839,235	42,505,550	30,853,253	24,039,889	20,262,010	27,433,298
Chief executive's salary and fees	6,522,666	11,480,000	11,480,000	12,233,548	12,490,000	10,800,000
Directors' fees	1,664,000	2,232,000	2,432,000	2,968,000	3,040,000	1,691,000
Auditors' fees	345,000	442,750	442,750	402,500	345,000	345,000
Charges on loan losses	-	-	-	-	-	-
Depreciation and repair of bank's assets	242,962,474	139,519,376	146,099,719	156,223,616	134,000,483	111,350,820
Other expenses	335,395,908	410,833,214	440,997,994	319,853,495	388,206,517	166,180,847
<b>Total operating expenses</b>	<b>1,632,754,190</b>	<b>2,083,542,462</b>	<b>1,970,090,830</b>	<b>1,656,819,622</b>	<b>1,442,184,096</b>	<b>1,025,455,276</b>
<b>Profit before provision</b>	<b>1,062,763,000</b>	<b>2,269,175,206</b>	<b>2,033,838,843</b>	<b>1,819,298,469</b>	<b>1,519,882,819</b>	<b>805,945,086</b>

<b>Provision for loan</b>						
Specific provision	66,193,533	440,908,481	433,663,322	82,921,644	(2,589,842)	3,348,842
General provision (including off balance sheet items)	23,914,878	61,916,642	(46,047,287)	213,444,935	85,156,596	73,147,874
	90,108,411	502,825,123	387,616,035	296,366,579	82,566,754	76,496,717
Provision for rebate to good borrowers	-	2,000,000	5,000,000	5,000,000	5,000,000	-
Provision for diminution in value of investments	-	-	-	-	(13,566,206)	2,116,412
Other provisions	-	-	-	-	-	-
<b>Total provision</b>	<b>90,108,411</b>	<b>504,825,123</b>	<b>392,616,035</b>	<b>301,366,579</b>	<b>74,000,548</b>	<b>78,613,128</b>
<b>Total Profit before taxes</b>	<b>972,654,589</b>	<b>1,764,350,083</b>	<b>1,641,222,809</b>	<b>1,517,931,890</b>	<b>1,445,882,271</b>	<b>727,331,958</b>
<b>Provision for taxation</b>						
Current tax	329,416,784	788,989,167	766,698,818	569,142,096	499,312,267	368,221,041
Deferred tax	(2,512,756)	7,758,738	(5,063,146)	(33,246,065)	(2,886,714)	1,103,936
	<b>326,904,028</b>	<b>796,747,905</b>	<b>761,635,672</b>	<b>535,896,031</b>	<b>496,425,553</b>	<b>369,324,977</b>
<b>Net profit after taxation</b>	<b>645,750,561</b>	<b>967,602,178</b>	<b>879,587,136</b>	<b>982,035,859</b>	<b>949,456,718</b>	<b>358,006,980</b>
Retained earnings brought forward from previous year						48,643,054
Prior period adjustment						-
						48,643,054
						406,650,034
<b>Appropriations</b>						
Statutory reserve		352,870,017	328,244,562	303,586,378	289,176,454	145,466,392
General reserve	-	-	-	-	-	-
<b>Retained surplus</b>	<b>645,750,561</b>	<b>614,732,161</b>	<b>551,342,574</b>	<b>678,449,481</b>	<b>660,280,264</b>	<b>261,183,643</b>
<b>Retained surplus</b>	<b>645,750,561</b>	<b>614,732,161</b>	<b>551,342,574</b>	<b>982,035,859</b>	<b>660,280,264</b>	<b>261,183,643</b>
<b>Earnings per share (EPS)</b>	<b>0.94</b>	<b>1.41</b>	<b>1.28</b>	<b>1.43</b>	<b>1.39</b>	<b>0.52</b>

It may be noted here that the statutory audit for the years 2018, 2017, 2016 had been conducted by Khan Wahab Shafique Rahman & Co., Chartered Accountants and 2015 had been conducted by Masih Muhith Haque & Co, Chartered Accountants.

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**South Bangla Agriculture and Commerce Bank Limited**

**Auditor's Report under Section-135(I), Para 24 (I), of Part -II of Schedule III to the Companies Act 1994**

**(C) Statement of cash flows**

Particulars	30 September 2020	2019	2018	2017	2016	2015
<b>Cash flows from operating activities</b>						
Interest receipts in cash	4,040,054,673	7,352,758,682	6,311,735,848	4,764,888,426	3,843,962,422	2,861,104,335
Interest payments	(3,310,433,710)	(4,707,625,244)	(3,453,114,556)	(2,715,061,167)	(2,343,217,435)	(1,905,894,119)
Dividend receipts	-	-	-	-	1,643,143	723,131
Gain on sale of shares	-	-	-	-	-	242,880
Income from investments	943,522,553	703,934,378	900,501,299	1,027,292,553	1,179,014,781	785,788,072
Recoveries on loans and advances previously written-off	-	-	-	-	-	-
Fees and commission receipts in cash	188,153,796	504,392,528	443,208,538	418,979,605	213,022,174	138,066,068
Cash payments to employees	(890,558,648)	(1,125,539,997)	(960,567,803)	(802,131,571)	(614,926,744)	(479,077,078)
Cash payments to suppliers	(127,851,092)	(436,388,449)	(417,369,668)	(376,277,218)	(296,101,462)	(241,047,509)
Income taxes paid	(456,298,674)	(924,927,255)	(653,152,354)	(518,365,765)	(305,957,715)	(157,849,063)
Receipts from other operating activities	70,177,476	120,802,400	91,985,576	87,882,281	68,843,851	48,895,044
Payments for other operating activities	(171,802,483)	(153,334,817)	(455,238,512)	(331,524,185)	(410,316,411)	(188,314,294)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>284,963,891</b>	<b>1,334,072,226</b>	<b>1,807,988,367</b>	<b>1,555,682,959</b>	<b>1,335,966,604</b>	<b>862,637,465</b>
<b>Increase / decrease in operating assets and liabilities</b>						
Sale of trading securities	127,047	938,573	-	-	35,298,356	205,599,530
Purchase of trading securities	-	(495,590)	-	-	-	-
Loans and advances to other banks	-	80,000,000	-	-	-	-
Loans and advances to customers	(1,741,945,334)	(5,496,332,979)	(6,861,299,707)	(13,092,675,530)	(7,046,563,979)	(9,610,238,380)
Increase / decrease of other assets	(94,355,788)	(57,266,644)	78,945,652	63,628,157	(10,680,707)	92,640,533
Deposits from other banks	(3,270,841,884)	1,114,371,787	479,490,739	2,999,841,753	202,074,869	(299,861,735)
Deposits from customers	(1,143,313,345)	10,981,764,764	8,287,244,988	8,697,032,794	7,395,627,712	12,289,421,578
Increase / decrease of other liabilities account of customers	-	-	-	-	-	-
Increase / decrease of trading liabilities	-	-	-	-	-	-
Increase / decrease of other liabilities	1,874,263,871	5,238,240	86,211,370	19,729,725	(10,436,683)	28,128,391
	<b>(4,376,065,433)</b>	<b>6,628,218,151</b>	<b>2,070,593,042</b>	<b>(1,312,443,101)</b>	<b>565,319,569</b>	<b>2,705,689,918</b>
<b>Net cash from operating activities</b>	<b>(4,091,101,542)</b>	<b>7,962,290,377</b>	<b>3,878,581,409</b>	<b>243,239,859</b>	<b>1,901,286,173</b>	<b>3,568,327,384</b>

<b>Cash flows from investing activities</b>						
Proceeds from sale of Government securities	21,525,339,532	10,595,811,280	11,132,634	-	-	279,499,003
Payments for Purchase of Government securities	(16,636,578,259)	(18,436,326,187)	-	(59,374,488)	(213,337,876)	-
Purchase of property, plant and equipment	(1,191,981,862)	(111,401,288)	(115,355,924)	(160,746,714)	(102,486,468)	(269,173,649)
Sale of property, plant and equipment	-	-	-	-	-	-
<b>Net cash from investing activities</b>	<b>3,696,779,411</b>	<b>(7,951,916,195)</b>	<b>(104,223,290)</b>	<b>(220,121,202)</b>	<b>(315,824,344)</b>	<b>10,325,354</b>
<b>Cash flows from financing activities</b>						
Borrowing from other banks, financial institutions and agents	1,763,295,289	315,885,069	402,740,167	116,347,959	50,235,675	(407,014,849)
Dividends paid	-	-	-	-	-	-
Receipts from issue of ordinary share	-	-	-	-	-	-
<b>Net cash from financing activities</b>	<b>1,763,295,289</b>	<b>315,885,069</b>	<b>402,740,167</b>	<b>116,347,959</b>	<b>50,235,675</b>	<b>(407,014,849)</b>
<b>Net increase / (decrease) in cash (A+B+C)</b>	<b>1,368,973,158</b>	<b>326,259,251</b>	<b>4,177,098,286</b>	<b>139,466,615</b>	<b>1,635,697,503</b>	<b>3,171,637,888</b>
<b>Effects of exchange rate changes on cash and cash-equivalent</b>	<b>119,092,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash-equivalents at beginning period</b>	<b>11,453,493,030</b>	<b>11,127,233,779</b>	<b>14,062,690,793</b>	<b>13,923,224,178</b>	<b>12,287,526,674</b>	<b>9,115,888,786</b>
<b>Cash and cash-equivalents at end of period (D+E+F)</b>	<b>12,941,558,887</b>	<b>11,453,493,030</b>	<b>18,239,789,079</b>	<b>14,062,690,793</b>	<b>13,923,224,178</b>	<b>12,287,526,674</b>
<b>Cash and cash-equivalents at end of period</b>						
Cash in hand including foreign currencies	831,755,255	759,249,747	546,096,482	463,165,656	335,651,998	268,672,224
Balances with Bangladesh Bank and its agent bank(s) including	3,930,522,768	3,677,346,131	3,542,292,096	3,060,880,987	2,373,813,862	1,900,452,362
Balances with other Banks and Financial institutions	8,179,280,864	7,016,897,152	7,038,845,201	4,147,765,773	6,346,266,788	5,333,467,429
Money at call and short notice	-	-	80,000,000	-	186,000,000	150,000,000
Government Securities	-	-	7,032,555,300	6,390,878,377	4,681,491,529	4,634,934,659
	<b>12,941,558,887</b>	<b>11,453,493,030</b>	<b>18,239,789,079</b>	<b>14,062,690,793</b>	<b>13,923,224,178</b>	<b>12,287,526,674</b>

It may be noted here that the statutory audit for the years 2018, 2017, 2016 had been conducted by Khan Wahab Shafique Rahman & Co., Chartered Accountants and 2015 had been conducted by Masih Muhith Haque & Co, Chartered Accountants.

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**South Bangla Agriculture and Commerce Bank Limited**  
**Auditor's report under Section-135 (I), Para 24 (I), of Part - II of Schedule III to the Companies Act, 1994**

**C. Dividend**

The Bank has declared stock dividend for the years ended on 31 December 2019, 2018, 2017, 2016 and 2015 as shown belows.

Particulars	30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Cash Dividend	nil	nil	nil	nil	nil	nil
Stock Dividend	nil	10%	10%	13.50%	15%	6%

**D.** South Bangla Agriculture and Commerce Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability by shares as on February 20, 2013 under the Companies Act 1994 bearing certificate of incorporation no C-107546/13 dated 20 February 2013 to carry out banking business. It obtained license from Bangladesh Bank for carrying out banking business on March 25, 2013 under Bank Company Act 1991. The Bank has been carrying out its business through its eighty two (82) branches and six (6) sub-branches all over Bangladesh. The registered office of

**E.** Figures appearing previous year's column have been restated/rearranged, wherever necessary to ensure comparison and better presentation. Due to rounding off of the figures to the nearest Taka, some sub totals may differ by TK 1 which

**Dhaka, 11 January 2021**

Sd/-  
**Hoda Vasi Chowdhury & Co**  
**Chartered Accountants**

e) Financial Spread Sheet Analysis for the Latest Audited Financial Statements

**South Bangla Agriculture and Commerce Bank Limited**  
**Balance Sheet**  
**As on 30 September 2020**

PARTICULARS	Amount in Taka	Percentage on Total Assets
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
Cash in hand (Including foreign currencies)	831,755,255	0.97%
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3,930,522,768	4.60%
	<b>4,762,278,023</b>	<b>5.57%</b>
<b>Balance with other banks and financial institutions</b>		
In Bangladesh	7,937,790,884	9.28%
Outside Bangladesh	241,489,980	0.28%
	<b>8,179,280,864</b>	<b>9.57%</b>
<b>Money at call on short notice</b>	-	<b>0.00%</b>
<b>Investments:</b>		
Government	10,517,837,509	12.30%
Others	151,679	0.00%
	<b>10,517,989,188</b>	<b>12.30%</b>
<b>Loans and advances</b>		
Loans, cash credit, overdrafts etc.	56,680,687,384	66.29%
Bills purchased and discounted	1,236,757,722	1.45%
	<b>57,917,445,106</b>	<b>67.74%</b>
<b>Fixed assets including premises, furniture and fixtures</b>	<b>1,399,795,482</b>	<b>1.64%</b>
<b>Other assets</b>	<b>2,721,408,053</b>	<b>3.18%</b>
<b>Non-banking assets</b>	-	<b>0.00%</b>
<b>TOTAL ASSETS</b>	<b>85,498,196,716</b>	<b>100.00%</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks, financial institutions and agents</b>	<b>2,880,334,741</b>	<b>3.37%</b>
<b>Deposits and other accounts</b>		
Current accounts and other accounts	6,397,400,553	7.48%
Special notice deposits	2,589,651,802	3.03%
Bills payable	2,485,651,234	2.91%
Savings bank deposits	5,661,071,326	6.62%
Fixed deposits	38,036,597,208	44.49%
Other deposits	12,365,137,289	14.46%
	<b>67,535,509,412</b>	<b>78.99%</b>
<b>Subordinated bonds</b>	-	<b>0.00%</b>
<b>Other liabilities</b>	<b>6,056,387,068</b>	<b>7.08%</b>
<b>TOTAL LIABILITIES</b>	<b>76,472,231,221</b>	<b>89.44%</b>
<b>Capital/ Shareholders' equity</b>		
Paid up capital	6,846,455,170	8.01%
Statutory reserve	1,479,777,861	1.73%
General reserve	-	0.00%
Other reserve (revaluation reserve on Govt. Securities)	44,848,950	0.05%
Surplus in profit and loss account	654,883,514	0.77%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,025,965,495</b>	<b>10.56%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>85,498,196,716</b>	<b>100.00%</b>

**South Bangla Agriculture and Commerce Bank Limited**  
**Profit and Loss Account**  
**As on 30 September 2020**

PARTICULARS	Amount in Taka	Percentage on Total
<b>OPERATING INCOME</b>		
Interest income	4,638,102,014	72.30%
Less : Interest paid on deposits and borrowings etc.	3,719,935,563	57.98%
<b>Net interest income</b>	<b>918,166,451</b>	<b>14.31%</b>
Investment income	1,399,926,768	21.82%
Commission, exchange and brokerage	307,246,495	4.79%
Other operating income	70,177,476	1.09%
	<b>1,777,350,739</b>	<b>27.70%</b>
<b>Total operating income</b>	<b>2,695,517,190</b>	<b>42.02%</b>
<b>OPERATING EXPENSES</b>		
Salary and allowances	882,371,982	13.75%
Rent, taxes, insurance, electricity etc.	125,087,655	1.95%
Legal and professional expenses	982,857	0.02%
Postage, stamp, telecommunication etc.	8,582,413	0.13%
Stationery, printing, advertisement etc.	28,839,235	0.45%
Chief executive's salary and fees	6,522,666	0.10%
Directors' fees	1,664,000	0.03%
Auditors' fees	345,000	0.01%
Charges on loan losses	-	0.00%
Depreciation and repair of bank's assets	242,962,474	3.79%
Other expenses	335,395,908	5.23%
<b>Total operating expenses</b>	<b>1,632,754,190</b>	<b>25.45%</b>
<b>Profit before provision</b>	<b>1,062,763,000</b>	<b>16.57%</b>
<b>Provision for loans</b>		
Specific provision	66,193,533	1.03%
General provision	23,914,878	0.37%
	<b>90,108,411</b>	<b>1.40%</b>
Provision for rebate to good borrowers	-	0.00%
Provision for diminution in value of investments	-	0.00%
Other provision	-	0.00%
<b>Total provision</b>	<b>90,108,411</b>	<b>1.40%</b>
<b>Total profit before taxes</b>	<b>972,654,589</b>	<b>15.16%</b>
<b>Provision for taxation</b>		
Current tax	329,416,784	5.13%
Deferred tax	(2,512,756)	-0.04%
	<b>326,904,028</b>	<b>5.10%</b>
<b>Net profit after taxation</b>	<b>645,750,561</b>	<b>10.07%</b>

- f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS

As per audited financial statements for the period ended 30 September 2020

Particulars	Amount in Taka
Net Profit After Tax	645,750,561
Total Number of Share	684,645,517
<b>Earning per Share (EPS) - Fully Diluted Basis</b>	<b>0.9432</b>
Weighted average number of Shares	653,525,267
<b>Earning per Share (EPS) - Weighted average no. of Share basis</b>	<b>0.9881</b>

- g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while the Net Profit as well as the Earning per Share**

According to Section 7 (Part II) read with Section 5(p) of the Banking Company Act, 1991 define the area of Banking Business wherein sub clause a to zb fixed scope of Banking Business range from collecting deposit from public & lending to the prospective investor, discounting, buying selling, collecting & dealing in Bill of Exchange, Promissory Notes, etc. the granting & issuing of Letter of Credit regarding commission based income, investment in Government Securities, any other business determined by official Gazate Notification by the Government and Bangladesh Bank etc. As such no other income is beyond scope of Banking Business.

Therefore, Earning per Share (EPS) is the same as the mentioned in the preceding para.

- h) Quarterly or half-yearly EPS should not be annualized while calculating EPS**

South Bangla Agriculture and Commerce Bank Limited has complied with mentioned rule.

- i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

<b>Sl.</b>	<b>Particulars</b>	<b>Amount in Taka</b>
a)	Paid - up Capital	6,846,455,170
b)	Statutory Reserve	1,479,777,861
c)	Other Reserve	44,848,950
d)	Retained Earnings	654,883,514
<b>Total Shareholders' Equity</b>		<b>9,025,965,495</b>
Number of Share Outstanding as on 30 September 2020		684,645,517
<b>Net Asset Value per Share as per Audited Report as on 30 September 2020</b>		<b>13.18</b>



- j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**

If required, South Bangla Agriculture and Commerce Bank Limited will bear the cost of the audit.

Sd/-

**Md. Masoodur rahman FCA**  
EVP & CFO

Sd/-

**Tariqul Islam Chowdhury**  
Managing Director & CEO

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-

(i) Statement of long term and short term borrowings including borrowings from related party or connected persons with rate of interest and interest paid or accrued

Based on our scrutiny of the relevant financial statements of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') which have been prepared by management and produced to us for review, we certify that based on the disclosure provided in those financial statements, the Bank has taken the following long term and short term borrowings including borrowing from related party or connected persons during the last five years:

						Amount in BDT	
Year	Name of bank/ related party	Nature of Relationship	Type of loan	Rate of interest	Balance as on reporting date	Interest paid	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for agro based industries	5.00%	40,897,785	5,237,873	
30 September, 2020	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for green industries	5.00%	125,241,094		
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for small enterprise entrepreneurs	5.00%	4,695,627		
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for 10 taka account	5.00%	1,004,948		
	Bangladesh Bank	Lender	Refinancing from Bangladesh bank for stimulus fund	-	209,483,632		
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for EDF*	1.00%-3.62%	1,799,011,655		16,515,766
	Uttara Bank	Lender	Call borrow from utara bank	1.75%	300,000,000		14,583
	Bangladesh Development Bank Limited	Lender	Call borrow from BDBL	1.75%	100,000,000		4,861
	United Commercial Bank	Lender	Call borrow from UCBL	1.75%	300,000,000		14,583
	<b>Total</b>						<b>2,880,334,741</b>

Year	Name of bank/ related party	Nature of Relationship	Type of loan	Rate of interest	Balance as on reporting date	Interest paid
2019	Bangladesh Bank	Lender	Refinance from Bangladesh Bank for agro based industries	5.00%	13,779,780	2,167,302
	Bangladesh Bank	Lender	Refinance from Bangladesh Bank for green industries	5.00%	30,027,719	
	Bangladesh Bank	Lender	Refinance from Bangladesh Bank for small enterprise entrepreneurs	5.00%	11,976,325	
	Bangladesh Bank	Lender	Refinance from Bangladesh Bank for 10 taka accounts	5.00%	257,584	
	Bangladesh Bank	Lender	Refinance from Bangladesh Bank for EDF*	3.22%-3.90%	1,060,998,044	35,880,417
<b>Total</b>					<b>1,117,039,452</b>	<b>38,047,719</b>
2018	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for agro based industries	5.00%	1,564,051	4,052,981
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for green industries	5.00%	35,833,324	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for small enterprise entrepreneurs	5.00%	6,786,970	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for EDF*	2.45%-3.52%	756,970,038	12,115,772
<b>Total</b>					<b>801,154,383</b>	<b>16,168,753</b>
2017	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for agro based industries	5.00%	44,220,955	7,132,431
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for green industries	5.00%	46,827,828	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for small enterprise entrepreneurs	5.00%	27,223,557	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for EDF*	2.10%-2.81%	280,141,876	5,856,528
<b>Total</b>					<b>398,414,216</b>	<b>12,988,959</b>

Year	Name of bank/ related party	Nature of Relationship	Type of loan	Rate of interest	Balance as on reporting date	Interest paid
2016	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for agro based industries	5.00%	53,682,853	5,190,030
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for green industries	5.00%	51,875,000	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for small enterprise entrepreneurs	5.00%	27,616,667	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for EDF*	1.54%-2.26%	148,891,738	1,348,459
	Others	Lender	Short Term		1,600	
<b>Total</b>					<b>282,067,858</b>	<b>6,538,489</b>
2015	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for agro based industries	5.00%	8,956,207	3,831,866
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for small enterprise entrepreneurs	5.00%	9,244,768	
	Bangladesh Bank	Lender	Refinancing from Bangladesh Bank for EDF*	1.32%-1.52%	153,473,109	6,774,982
	<b>Total</b>					<b>171,674,084</b>

\* The interest paid on EDF loan are extracted from the Bangladesh Bank website provided by the management.

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

### AUDITORS' CERTIFICATE REGARDING LOAN GIVEN BY THE ISSUER

Based on our scrutiny of the relevant financial statements of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') which have been prepared by management and produced to us for review, we certify that based on the disclosure provided in those financial statements, the Bank has taken the following long term and short term borrowings including borrowing from related party or connected persons during the last five years:

Amount in BDT							
Year	Name of Borrower	Relationship	Nature of Transactions	Debit/ Credit	Amount lend	Rate of interest	Interest Realized
2020 (September ended)	HAZI SHAKHAWAT ANWARA EYE HOSPITAL	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	9.00%	8,361,521
	RADIANT DREDGING LIMITED	Mr. M. Moazzam Hossain	LEASE FINANCE - COMMERCIAL LEASE	Dr.	64,000,000	9.00%	1,184,524
			S.O.D (GEN)	Dr.	3,000,000	9.00%	44,626
	KHULNA BUILDERS LTD.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	206,050,000	9.00%	15,205,961
	ANWAR HUSSAIN	MD. ANWAR HOSSAIN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	9.00%	552,423
	MOHAMMAD IMRAN	MOHAMMAD IMRAN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	9.00%	551,269
	M M FISHERIES	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	42,521,694	9.00%	1,122,722
	M R TRADING CO.	Md. Mizanur Rahman	S.O.D (GEN)	Dr.	100,000,000	9.00%	1,955,045
MODERN DIAGNOSTIC CENTRE LTD.	Anwar Hossain Khan	GEN CASH CREDIT- HYPO	Dr.	138,400,000	9.00%	12,051,569	

Year	Name of Borrower	Relationship	Nature of Transactions	Debit/ Credit	Amount lend	Rate of interest	Interest Realized
2019	HAZI SHAKHAWAT ANWARA EYE HOSPITAL	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	13.00%	14,321,893
	RADIANT DREDGING LIMITED	Mr. M. Moazzam Hossain	LEASE FINANCE - COMMERCIAL LEASE	Dr.	64,000,000	13.50%	4,098,625
			S.O.D (GEN)	Dr.	3,000,000	12.50%	327,238
	KHULNA BUILDERS LTD.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	206,000,000	12.00%	30,997,285
	ANWAR HUSSAIN	MD. ANWAR HOSSAIN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	13.50%	1,232,573
	MOHAMMAD IMRAN	MOHAMMAD IMRAN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	13.50%	1,231,501
	M M FISHERIES	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	13.00%	6,192,849
	M R TRADING CO.	Md. Mizanur Rahman	SME- TERM LOAN (GENERAL)	Dr.	100,000,000	12.50%	7,566,135
MODERN DIAGNOSTIC CENTRE LTD.	Anwar Hossain Khan	GEN CASH CREDIT- HYPO	Dr.	138,400,000	13.50%	16,636,738	
2018	HAZI SHAKHAWAT ANWARA EYE HOSPITAL	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	13.00%	13,758,443
	RADIANT DREDGING LIMITED	Mr. M. Moazzam Hossain	LEASE FINANCE - COMMERCIAL LEASE	Dr.	64,000,000	13.50%	537,198
			S.O.D (GEN)	Dr.	3,000,000	13.50%	266,298
	KHULNA BUILDERS LTD.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	206,000,000	13.00%	30,362,256
	ANWAR HUSSAIN	MD. ANWAR HOSSAIN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	13.50%	1,058,368
	MOHAMMAD IMRAN	MOHAMMAD IMRAN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	13.50%	1,057,793
	M M FISHERIES	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	14.00%	6,027,197
	MOTHER TRADE CENTER	Mrs. Tahmina Afroz	Gen Cash Credit- HYPO	Dr.	100,000,000	11.50%	12408206.87
Saima Samira Textile Mills Ltd.	Mr. Mohammad Mohsin	Gen Cash Credit- HYPO	Dr.	100,000,000	11.50%	6,111,274	
M R Trading Co.	Md. Mizanur Rahman	S.O.D (GEN)	Dr.	100,000,000	14.00%	1,262,465	

Year	Name of Borrower	Relationship	Nature of Transactions	Debit/ Credit	Amount lend	Rate of interest	Interest Realized
2017	Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	Gen Cash Credit- HYPO	Dr.	100,000,000	11.50%	12,165,685
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	Lease Finance - Commercial Lease	Dr.	64,000,000	12.00%	6,313,481
			S.O.D (GEN)	Dr.	3,000,000	12.00%	334,595
	Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	215,300,000	12.00%	21,603,896
	Anwar Hussain	MD. ANWAR HOSSAIN	H.B.L (Residential)	Dr.	12,000,000	12.00%	1,019,207
	Mohammad Imran	MOHAMMAD IMRAN	H.B.L (Residential)	Dr.	12,000,000	12.00%	1,018,646
	Mother Trade Center	Mrs. Tahmina Afroz	Gen Cash Credit- HYPO	Dr.	100,000,000	11.50%	12,064,845
	Saima Samira Textile Mills Ltd.	Mr. Mohammad Mohsin	Gen Cash Credit- HYPO	Dr.	100,000,000	11.5%	12,471,878
M M Fisheries	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	12.00%	4,638,791	
2016	Hazi Shakhawat Anwara Eye Hospital Ltd.	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	Gen Cash Credit- HYPO	Dr.	100,000,000	13.00%	2,760,463
	Radiant dredging limited	Mr. M. Moazzam Hossain	Lease Finance - Commercial Lease	Dr.	64,000,000	15.00%	1,870,671
			S.O.D (GEN)	Dr.	3,000,000	12.00%	31,549
	Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	155,300,000	12.00%	4,834,436
	Anwar Hussain	MD. ANWAR HOSSAIN	H.B.L (Residential)	Dr.	12,000,000	15.50%	87,378
	Mohammad Imran	MOHAMMAD IMRAN	H.B.L (Residential)	Dr.	12,000,000	15.50%	87,371
	Mother Trade Center	Mrs. Tahmina Afroz	Gen Cash Credit- HYPO	Dr.	100,000,000	12.00%	2,613,544
	Saima Samira Textile Mills Ltd.	Mr. Mohammad Mohsin	Gen Cash Credit- HYPO	Dr.	100,000,000	12.00%	2,896,484
M M Fisheries	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	12.00%	1,129,966	

Year	Name of Borrower	Relationship	Nature of Transactions	Debit/ Credit	Amount lend	Rate of interest	Interest Realized
2015	Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	Gen Cash Credit- HYPO	Dr.	100,000,000	13.00%	-
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	Lease Finance - Commercial Lease	Dr.	64,000,000	15.00%	-
	Mother Trade Center	Mrs. Tahmina Afroz	CC-GEN-HYPO	Dr.	100,000,000	13.00%	-

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with name of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, repayment schedule and status;

Based on our examination of the Auditors' Report along with the audited Financial Statements of South Bangla Agriculture and Commerce Bank Limited (the "Bank"), we certify that Bank has taken secured loan which was disclosed in the financial statements from 1st January 2015 to 30 September 2020 are as follows:

**For the period ended 30 September 2020**

Sl. No.	Types of secured loan	Taka
1	Refinance from Bangladesh Bank	2,180,334,741
	<b>Total</b>	<b>2,180,334,741</b>

**Break up**

Sl. No.	Name of the Institution	Nature of Borrowing	Balance as 30 September 2020
1	Agro based industries	Refinance	40,897,785
2	Green industries	Refinance	125,241,094
3	Small enterprise entrepreneurs	Refinance	4,695,627
4	10 taka account	Refinance	1,004,948
5	Bangladesh Bank stimulus fund	Refinance	209,483,632
6	Export Development Fund(EDF)	Refinance	1,799,011,655

**For the period ended 31 December 2019**

Sl. No.	Types of secured loan	Taka
1	Refinance from Bangladesh Bank	1,117,039,452
	<b>Total</b>	<b>1,117,039,452</b>

**Break Up:**

Sl. No.	Name of the Institution	Nature of Borrowing	Balance as 31 December 2019
1	Agro based industries	Refinance	13,779,780
2	Green industries	Refinance	30,027,719
3	Small enterprise entrepreneurs	Refinance	11,976,325
4	10 taka account	Refinance	257,584
5	Export Development Fund(EDF)	Refinance	1,060,998,044

**For the period ended 31 December 2018**

Sl. No.	Types of secured loan	Taka
1	Refinance from Bangladesh Bank	801,154,383
	<b>Total</b>	<b>801,154,383</b>

**Break Up:**

Sl. No.	Name of the Institution	Nature of Borrowing	Balance as 31 December 2018
1	Agro based industries	Refinance	1,564,051
2	Green industries	Refinance	35,833,324
3	Small enterprise entrepreneurs	Refinance	6,786,970
4	Export Development Fund(EDF)	Refinance	756,970,038

**For the period ended 31 December 2017**

Sl. No.	Types of secured loan	Taka
1	Refinance from Bangladesh Bank	398,414,216
	<b>Total</b>	<b>398,414,216</b>

**Break Up:**

Sl. No.	Name of the Institution	Nature of Borrowing	Balance as 31 December 2017
1	Agro based industries	Refinance	44,220,955
2	Green industries	Refinance	46,827,828
3	Small enterprise entrepreneurs	Refinance	27,223,557
4	Export Development Fund(EDF)	Refinance	280,141,876

**For the period ended 31 December 2016**

Sl. No.	Types of secured loan	Taka
1	Refinance from Bangladesh Bank	282,066,258
	<b>Total</b>	<b>282,066,258</b>

**Break Up:**

Sl. No.	Name of the Institution	Nature of Borrowing	Balance as 31 December 2016
1	Agro based industries	Refinance	53,682,853
2	Green industries	Refinance	51,875,000
3	Small enterprise entrepreneurs	Refinance	27,616,667
4	Export Development Fund(EDF)	Refinance	148,891,738

**For the period ended 31 December 2015**

Sl. No.	Types of secured loan	Taka
1	Refinance from Bangladesh Bank	231,830,583
	<b>Total</b>	<b>231,830,583</b>

**Break Up:**

<b>Sl. No.</b>	<b>Name of the Institution</b>	<b>Nature of Borrowing</b>	<b>Balance as 31 December 2015</b>
1	Agro based industries	Refinance	61,800,000
2	Small enterprise entrepreneurs	Refinance	16,557,474
3	Export Development Fund (EDF)	Refinance	153,473,109

This certificate issued at the request of the management for the purpose of Initial Public Offering (IPO)

Dhaka, 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
**Chartered Accountants**

(iii) **Statement of Unsecured loans with terms and conditions**

Based on our examination of the Auditors' Report along with the audited Financial Statements of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') we certify that the Bank has taken unsecured loan which disclosed was disclosed in the financial statements for the period from 1st January 2015 to 30 September 2020 are as follows.

**For the period ended 30 September 2020**

Sl. No.	Types of unsecured loan	Taka
1	Borrowing call on short notice	700,000,000
	<b>Total</b>	<b>700,000,000</b>

**Break up**

Sl. No.	Name of the Institution	Nature of Borrowing	Balance as 30 September 2020
1	Uttara Bank Limited	Refinance/Call	300,000,000
2	Bangladesh Development Bank Limited	Overnight (Call)	100,000,000
3	United Commercial Bank Limited	Overnight (Call)	300,000,000
	<b>Total</b>		<b>700,000,000</b>

This certificate issued at the request of the management for the purpose of Initial Public Offering (IPO)

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

(iv) **Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.**

**Certification on Statement of Inventories of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc.**

Based on our scrutiny of the relevant financial statements of the South Bangla Agriculture and Commerce Bank Limited (the 'Bank'), we certify that the Bank is treated as service sector deal with principal activities of providing Loans and Advances to the prospective clients by mobilizing deposit resulting spread is the outcome for the company rather than converting raw material to the finished goods. Therefore, Bank did not hold any inventories of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc.

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**(v) Statement of Trade Receivables showing receivable from related party and connected persons**

**Certification on statement of trade receivables showing receivable from related party and connected persons of South Bangla Agriculture and Commerce Bank Limited.**

Based on our scrutiny of the relevant financial statements of the South Bangla Agriculture and Commerce Bank limited (the 'Bank'), we certify that the Bank has no trade receivables for the years ended 31 December 2015, 2016, 2017, 2018, 2019 and for the nine months period ended 30 September 2020 from Related Party and connected persons.

Dhaka, 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
**Chartered Accountants**

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;

**AUDITORS' CERTIFICATE REGARDING LOAN GIVEN BY THE ISSUER**

Based on our scrutiny of the relevant financial statements of South Bangla Agriculture and Commerce Bank Limited (the 'Bank'), we certify that as per the disclosure provided in those financial statements, the Bank had given (Dr.) / taken (Cr.) loan to / from following persons/institutions including related party or connected persons during the last five years:

							Amount in BDT	
Year	Name of Borrower	Relationship	Nature of Transactions	Debit/ Credit	Amount lend	Rate of interest	Interest Realized	
2020 (September ended)	Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	9.00%	8,361,521	
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	Lease Finance - Commercial Lease	Dr.	64,000,000	9.00%	1,184,524	
			S.O.D (GEN)	Dr.	3,000,000	9.00%	44,626	
	Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	206,050,000	9.00%	15,205,961	
	Anwar Hussain	Md. Anwar hossain	H.B.L (Residential)	Dr.	12,000,000	9.00%	552,423	
	Mohammad Imran	Mohammad imran	H.B.L (Residential)	Dr.	12,000,000	9.00%	551,269	
	M M Fisheries	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	42,521,694	9.00%	1,122,722	
	M R Trading Co.	Md. Mizanur Rahman	S.O.D (GEN)	Dr.	100,000,000	9.00%	1,955,045	
Modern Diagnostic Centre Ltd.	Anwar Hossain Khan	Gen Cash Credit- HYPO	Dr.	138,400,000	9.00%	12,051,569		
2019	Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	Gen Cash Credit- HYPO	Dr.	100,000,000	13.00%	14,321,893	
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	Lease Finance - Commercial Lease	Dr.	64,000,000	13.50%	4,098,625	
			S.O.D (GEN)	Dr.	3,000,000	12.50%	327,238	
	Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	206,000,000	12.00%	30,997,285	
	Anwar Hussain	MD. ANWAR HOSSAIN	H.B.L (Residential)	Dr.	12,000,000	13.50%	1,232,573	
	Mohammad Imran	MOHAMMAD IMRAN	H.B.L (Residential)	Dr.	12,000,000	13.50%	1,231,501	
	M M Fisheries	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	13.00%	6,192,849	
	M R Trading Co.	Md. Mizanur Rahman	SME- Term Loan (General)	Dr.	100,000,000	12.50%	7,566,135	
Modern Diagnostic Centre Ltd.	Anwar Hossain Khan	Gen Cash Credit- HYPO	Dr.	138,400,000	13.50%	16,636,738		
2018	Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	13.00%	13,758,443	

Year	Name of Borrower	Relationship	Nature of Transactions	Debit/ Credit	Amount lend	Rate of interest	Interest Realized
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	LEASE FINANCE - COMMERCIAL LEASE	Dr.	64,000,000	13.50%	537,198
			S.O.D (GEN)	Dr.	3,000,000	13.50%	266,298
	Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	206,000,000	13.00%	30,362,256
	Anwar Hussain	MD. ANWAR HOSSAIN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	13.50%	1,058,368
	Mohammad Imran	MOHAMMAD IMRAN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	13.50%	1,057,793
	M M Fisheries	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	14.00%	6,027,197
	Mother Trade Center	Mrs. Tahmina Afroz	GEN CASH CREDIT- HYPO	Dr.	100,000,000	11.50%	12408206.87
	Saima Samira Textile Mills Ltd.	Mr. Mohammad Mohsin	GEN CASH CREDIT- HYPO	Dr.	100,000,000	11.50%	6,111,274
M R Trading Co.	Md. Mizanur Rahman	S.O.D (GEN)	Dr.	100,000,000	14.00%	1,262,465	
2017	Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	11.50%	12,165,685
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	LEASE FINANCE - COMMERCIAL LEASE	Dr.	64,000,000	12.00%	6,313,481
			S.O.D (GEN)	Dr.	3,000,000	12.00%	334,595
	Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	215,300,000	12.00%	21,603,896
	Anwar Hussain	MD. ANWAR HOSSAIN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	12.00%	1,019,207
	Mohammad Imran	MOHAMMAD IMRAN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	12.00%	1,018,646
	Mother Trade Center	Mrs. Tahmina Afroz	GEN CASH CREDIT- HYPO	Dr.	100,000,000	11.50%	12,064,845
	Saima Samira Textile Mills Ltd	Mr. Mohammad Mohsin	GEN CASH CREDIT- HYPO	Dr.	100,000,000	11.5%	12,471,878
M M Fisheries	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	12.00%	4,638,791	
2016	Hazi Shakhawat Anwara Eye Hospital Ltd.	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	13.00%	2,760,463
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	LEASE FINANCE - COMMERCIAL LEASE	Dr.	64,000,000	15.00%	1,870,671
			S.O.D (GEN)	Dr.	3,000,000	12.00%	31,549
	Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad	S.O.D (GEN)	Dr.	155,300,000	12.00%	4,834,436
	Anwar Hussain	MD. ANWAR HOSSAIN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	15.50%	87,378
	Mohammad Imran	MOHAMMAD IMRAN	H.B.L (RESIDENTIAL)	Dr.	12,000,000	15.50%	87,371
	Mother Trade Center	Mrs. Tahmina Afroz	GEN CASH CREDIT- HYPO	Dr.	100,000,000	12.00%	2,613,544
	Saima Samira Textile Mills Ltd	Mr. Mohammad Mohsin	GEN CASH CREDIT- HYPO	Dr.	100,000,000	12.00%	2,896,484
M M Fisheries	Mrs. Kamrunnahar	S.O.D (GEN)	Dr.	40,000,000	12.00%	1,129,966	

Year	Name of Borrower	Relationship	Nature of Transactions	Debit/ Credit	Amount lend	Rate of interest	Interest Realized
2015	Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	GEN CASH CREDIT- HYPO	Dr.	100,000,000	13.00%	-
	Radiant Dredging Limited	Mr. M. Moazzam Hossain	LEASE FINANCE - COMMERCIAL LEASE	Dr.	64,000,000	15.00%	-
	Mother Trade Center	Mrs. Tahmina Afroz	CC-GEN-HYPO	Dr.	100,000,000	13.00%	-

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**(vii) Statement of other income showing interest income, dividend income, discount received, other non- operating income**

Based on our scrutiny of the relevant financial statements of South Bangla Agriculture and Commerce Bank Limited (the "Bank"), we certify that as per the disclosure provided in those financial statements, the Bank had the following other income during the last five years:

Particulars	Amount in BDT					
	30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31-Dec-15
Banking service charge	56,053,888	108,503,041	82,492,930	69,946,505	55,895,979	41,323,435
Postage charge recovery	-	-	-	-	720,508	572,616
Swift charge	-	-	-	11,952,192	8,128,786	4,475,423
Card operation charge	7,502,871	7,548,376	4,867,568	2,370,482	1,210,878	576,764
Locker rent	123,000	42,000	44,000	12,000	-	-
Miscellaneous income	6,497,717	4,708,983	4,581,078	3,601,101	2,887,701	1,946,806
<b>Total</b>	<b>70,177,476</b>	<b>120,802,400</b>	<b>91,985,576</b>	<b>87,882,281</b>	<b>68,843,851</b>	<b>48,895,044</b>

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**(viii) Statement of turnover showing separately in cash and through banking channel**

**Certification on Statement of Turnover showing separately in cash and through banking channel of South Bangla Agriculture and Commerce Bank Limited.**

After due verification, we certify that South Bangla Agriculture and Commerce Bank Limited (the 'Bank') itself is engaged in providing banking service, so all proceed of interest and fee base income channeled through banking system.

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

(ix) Statement of related party transaction;

**AUDITORS' CERTIFICATE REGARDING RELATED PARTY TRANSACTION**

Based on our scrutiny of the financial statements and other relevant records of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') which have been prepared by management of the Bank and produced to us for our review, and on the basis of representation from management, we certify that the Bank has enter into the following transactions during the last five years with person who falls into certain category as listed below:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Amount in BDT

Name of Borrower	Relationship	Representing director	Nature of Transactions	30 September 2020		31 December 2019		31 December 2018		31 December 2017		31 December 2016		31 December 2015	
				Net Transaction (Amount in crore taka)	Closing Balance (Amount in crore taka)	Net Transaction	Closing Balance								
HAZISHAKHAWAT ANWARA EYE HOSPITAL	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	Director	GEN CASH CREDIT- HYPO	4,156,121	116,748,507	9,900,000	110,829,272	10,248,693	106,379,905	8,771,014	102,844,915	276,851,000	13,225,243	10,174,229	103,261,158
KHULNA BUILDERS LTD.	S.M. Amzad Hossain & Begum Sufia Amzad	Chairman/Director	S.O.D (GEN)	23,436,999	214,017,307	34,520,000	218,800,196	20,000,000	222,295,497	30,117,000	211,908,241	4,500,000	160,048,345	-	-
RADIANT DREDGING LIMITED	Mr. M. Moazzam Hossain	Director	LEASE FINANCE	11,021,335	13,899,482	15,950,480	23,314,653	17,049,607	35,152,208	18,400,000	46,817,835	4,600,000	58,879,354	-	-
			S.O.D (GEN)	4,205,228	354,658	14,056,530	3,105,851	30,965,972	3,125,153	4,180,000	3,090,269	622,000	2,932,864	-	-
M R TRADING CO.	Md. Mizanur Rahman	Director	S.O.D (GEN)	107,210,910	100,327,372	330,895,000	47,232,237	71,043,740	101,197,525	-	-	-	-	-	-
ANWAR HUSSAIN	Mr. Anwar Hussain	Director	HOUSE BUILDING LOAN	1,409,154	8,268,848	2,198,034	8,984,784	2,010,250	7,545,445	2,193,000	8,494,827	8,867	7,166,120	-	-

MOHAMMAD IMRAN	Mr. Mohammad Imran	Director	HOUSE BUILDING LOAN	1,580,012	8,248,215	2,208,385	8,970,217	2,010,250	7,544,302	2,193,000	8,494,259	25,000	7,166,113	-	-
MODERN DIAGNOSTIC CENTRE LTD.	Anwar Hossain Khan	Director	GEN CASH CREDIT- HYPO	6,042,405	161,642,309	1,800,000	153,264,098	-	-	-	-	-	-	-	-
M M FISHERIES	Mrs. Kamrunnahar	Director	S.O.D (GEN)	1,506,612	42,138,954	2,228,000	45,602,932	5,618,000	41,623,783	70,667,037	41,202,585	5,000,000	41,098,522	-	-
Mother Trade Center	Mrs. Tahmina Afroz	Director	Cash Credit	-	-	-	-	115,396,452	-	10,147,338	102,942,506	207,648,000	1,753,420	14,683,000	103,322,248
Saima Samira Textile Mills Ltd.	Mr. Mohammad Mohsin	Director	Cash Credit	-	-	-	-	163,790,000	-	169,000,000	103,012,468	125,175,410	102,711,180	-	-

Dhaka, 11 January 2021

Sd/-  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements**

Based on our review of the audited financial statements and related income tax return of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') which have been prepared by management of the Bank and produced to us, we certify that the following reconciliation of business income as shown in income tax return to net income (profit) as shown in audited financial statements of the Bank during the last five years have been extracted from those documents:

**Amount in BDT**

	2019	2018	2017	2016	2015
<b>Net Income before tax as per audited financial statements</b>	<b>1,764,350,083</b>	<b>1,641,222,809</b>	<b>1,517,931,890</b>	<b>1,445,882,271</b>	<b>727,331,958</b>
Add : Total Provision	504,825,123	392,616,035	301,366,579	74,000,548	78,613,128
	2,269,175,206	2,033,838,844	1,819,298,469	1,519,882,819	805,945,086
Add : Accounting Depreciation	125,527,179	138,218,273	149,786,367	116,190,864	92,897,331
Add : Inadmissible expenses	278,343,847	411,024,758	268,027,777	300,036,815	131,758,023
	2,673,046,232	2,583,081,875	2,237,112,613	1,936,110,498	1,030,600,440
Less : Tax Depreciation	109,561,115	129,016,026	91,467,394	93,594,310	98,485,585
	2,563,485,117	2,454,065,849	2,145,645,219	1,842,516,188	932,114,855
Less : "0% rate" & lesser rate tax income	453,832,890	365,125,145	519,218,732	635,640,573	351,878,932
	2,109,652,227	2,088,940,704	1,626,426,487	1,206,875,615	580,235,923
Less : Admissible expenses	16,968,911	12,793,030	9,342,124	11,263,356	6,815,852
<b>Income from business or profession</b>	<b>2,092,683,316</b>	<b>2,076,147,674</b>	<b>1,617,084,363</b>	<b>1,195,612,259</b>	<b>573,420,071</b>
Add : Lesser rated tax income	638,453	-	-	1,643,143	966,011
	<b>2,093,321,769</b>	<b>2,076,147,674</b>	<b>1,617,084,363</b>	<b>1,197,255,402</b>	<b>574,386,082</b>
Add : "0% rate" tax income	453,194,437	365,125,145	519,218,732	633,997,430	350,912,921
<b>Total income shown in income tax return</b>	<b>2,546,516,206</b>	<b>2,441,272,818</b>	<b>2,136,303,095</b>	<b>1,831,252,832</b>	<b>925,299,003</b>

Income tax returns for the year 2020 have not yet been submitted.

Dhaka, 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
Chartered Accountants

**(xi) Confirmation that all receipts and payments of the issuer above tk. 5,00,000/- (five lac) were made through banking channel**

Based on the Audited Financial Statements along with documents, accounting books and records and information of South Bangla Agriculture and Commerce Bank Limited, we conclude that all transactions of the Bank itself above Taka 500,000 either receipts or payments; other than deposits and loan account, were made through banking channel during the period from 1 January 2015 to 30 September 2020.

This certificate is issued at the request of the management for the purpose of Initial Public Offering (IPO).

Dhaka  
Date: 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
**Chartered Accountants**

**(xii) Confirmation that bank statements of the issuer are in conformity with its books of accounts**

Based on our examination of Bank statements and related books of account (including financial statements, Bank reconciliation) of South Bangla Agriculture and Commerce bank Limited (the 'Bank'), we certify that bank balances of the Bank as disclosed in books of account (financial statements) conforms with the related bank statements as produced to us by management. Management has also prepared the summary of the Bank's bank accounts 31 December 2015 to 31 December 2019 and in its latest financial statements as at 30 September 2020 duly reconciled to related bank statements.

This certificate issued at the request of the management for the purpose of Initial Public Offering (IPO).

Dhaka, 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
**Chartered Accountants**

**(xiii) Statement of payment status of Tax, VAT and other taxes or duties**

Based on our scrutiny of related income tax returns, value added tax returns and statement of import of South Bangla Agriculture and Commerce Bank Limited (the 'Bank') as prepared by and presented to us by the Bank's management, we certify that the Bank has disclosed following amount of income tax, value added tax and other taxes/duties payment in those returns / statements for the last five years.

**Amount in BDT**

Particulars	30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Income Tax	456,298,674	829,637,171	768,913,851	613,057,932	509,287,330	254,583,065
VAT (including rebate claim)	66,898,775	94,723,268	93,596,160	85,117,368	55,867,376	40,115,496
Excise Duty	23,767,803	105,544,499	91,652,179	87,003,913	41,716,328	27,165,346

Dhaka, 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
 Chartered Accountants

## **SECTION (XXVII)**

<h3><b>Credit Rating Report</b></h3>
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## CRAB Bank Rating

## Credit Rating Report (Surveillance) South Bangla Agriculture & Commerce Bank Ltd.

**Analysts:**
**Tahmina Islam**

tahmina.islam@crab.com.bd

**Shahataj.Noor**

Shahataj.noor@crab.com.bd

Key Performance Indicator of the Bank		
(Months)	(12)	
	2019	2018
<b>(Mil. BDT)</b>		
Loan	56,000.7	50,254.9
Deposit	71,540.2	59,304.3
Shareholder's Equity	8,363.0	7,429.7
Operating Income	4,352.7	4,003.9
Net Profit before Tax	1,764.4	1,541.2
<b>(%)</b>		
Net Interest Margin	4.2	4.9
Efficiency Ratio (Cost to income)	47.9	49.2
Gross NPL Ratio	6.1	2.0
Gross NPL Coverage Ratio	43.7	99.5
SMA to Total Loans & Advance	4.5	4.5
Capital to Risk Weighted Asset Ratio	14.7	15.9

**Assigned Rating:**
**Long term :A<sub>3</sub>**
**Short term :ST-2**
**Outlook :Stable**
**Date of Rating :27 September 2020**
**Valid Till : 30 June 2021**

Methodology: CRAB's Bank Rating Methodology (www.crab.com.bd)

**RATING BASED ON:** Audited financial statements up to 31 December 2019 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

**BANK PROFILE**

South Bangla Agriculture & Commerce Bank Limited (hereinafter referred to as "SBACL" or "the Bank") was incorporated in 20 February 2013 and commenced its commercial operation from April 2013 with a vision to build green Bangladesh free from poverty and pollution through sustainable development by application of latest information technology. SBACL is trying to be a budding private commercial bank in terms of efficiency, capital adequacy, sound management, profitability with stable liquidity and financial inclusion. The paid up capital of the Bank was BDT 6,224.05 million against authorized capital of BDT 10,000.00 million at the end of December 2019. The Bank offers a full range of banking and investment services for retail and corporate customers as well as SME customers. Presently the Bank has 82 branches across the country with online facilities.

**RATIONALE**

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed "**A<sub>3</sub>**" (Pronounced Single A three) rating in the long term and "**ST-2**" rating in the short term to South Bangla Agriculture & Commerce Bank Limited based on audited financial statement up to 31<sup>st</sup> December 2019, unaudited financial statement for the period of 30 June 2020, and other relevant information.

Commercial Banks rated '**A<sub>3</sub>**' have strong capacity to meet their financial commitments and judged to be of high quality with low credit risk. Commercial Banks rated in '**ST-2**' category are considered to have strong capacity for timely repayment of obligations characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds

The rating reflects the Bank's strength from capital adequacy & profitability. However, the ratings are constrained by evolving non performing loan and provision shortfall of the Bank.

## CRAB Bank Rating

South Bangla Agriculture & Commerce Bank Ltd

Net interest income shared 57.67% of total operating income in 2019. Net interest margin of the Bank was 4.17% in 2019 slightly deteriorated from last year due to reduced interest spread. The Bank's NIM was above the PCB industry average in 2019. Profitability of the Bank remained almost constant during the year in respect of risk return perspective having a return of 1.70% on risk weighted assets.

As an emerging bank SBACL is in growing stage. Loan portfolio grew by 11.43% and reached BDT 56,000.74 million at the end of December 2019. The Bank's corporate loan shared 43.12% of the bank's loan portfolio in 2019. The Bank's top 50 funded loans and advance in 2019 was 3.91 times of core capital of the Bank. There is possibility of increased credit risk due to rapid business growth unless strictly monitored. In 2019, fresh NPL generation was 14.38% of total loans and advances. Cash recovery by SBACL was BDT 33.34 million in the same duration. Gross NPL ratio of Bank became 6.09% at the end of 2019 which was decreased to 5.48% at the end of June 2020. Moreover, SMA to total loans and advances was 4.47% at the end of 2019.

Tier I plus Tier II capital of the Bank reached BDT 8,371.06 million in 2019. However, the risk weighted asset of the Bank was insignificant as the loan portfolio size was small which depends on the duration of operational period. SBACL's capital to risk weighted asset was 14.73% against regulatory requirement of 12.50% under Basel III at the end of 2019. The Bank's equity to total deposit & borrowing ratio was 11.51% in 2019. The risk weighted asset of the rated corporate client of the Bank was BDT 10,253.98 million as of December 2019 against actual exposure of BDT 15,631.39 million. It is observed that 63.59% of the rated clients belong to 'AAA & AA' rating in 2019.

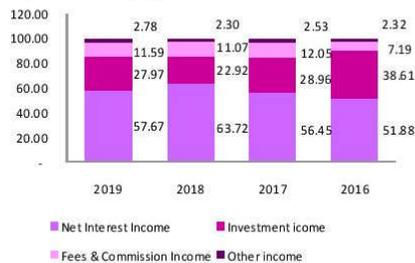
The Bank's asset was funded through deposit along with equity due to its span of operation. At the end of 2019, the Bank's total deposit was strongly dominated by term deposit (82.87% of total) followed by current deposit (7.69% of total) and savings deposit (6.05% of total). Contribution of low cost deposit base remained relatively lower mainly because of Bank's low market shares in deposit due to its short operation period. Therefore, average cost of deposit & borrowing was high at 7.91% in 2019. The Bank's liquid asset to deposit and borrowings was high at 36.46% in 2019.

The Bank actively participated in the call money market since its commencement and was net borrower throughout the year. At the end of 2018, LCR and NSFR of the Bank were 120.17% and 183.97% respectively. 120.17% LCR depicts that 120.17% of liquidity needs up to 30 calendar days of the Bank are covered by its unencumbered liquid assets.

In its current business process, SBACL is trying to acquire new customer base by spreading its business. As of December 2019, SBACL had 82 branches across the country. CRAB also factors the Bank's ownership structure, the board of directors, senior management, the business plan including financial projections, risk management and controls and the internal audit function while assigning the rating.

### ■ CORPORATE PROFILE

South Bangla Agriculture & Commerce Bank Limited was incorporated on 20 February 2013 and commenced its commercial operation from April 2013 with a vision to build green Bangladesh free from poverty and pollution through sustainable development by application of latest information technology. SBACL is trying to be a leading private commercial bank in terms of efficiency, capital adequacy, sound management, profitability with stable liquidity and financial inclusion. The paid up capital of the Bank was BDT 6,224.05 million against authorized capital of BDT 10,000.00 million at the end of December 2019. The Bank offers a full range of banking and investment services for retail and corporate customers as well as SME customers. Presently the Bank has 82 branches across the country including 06 AD branches.

**OPERATIONAL PERFORMANCE**
*(All the comparisons are based on 2018 unless specifically mentioned.)*
**Earnings and Volatility**
**Graph 1: Income segregation**


South Bangla Agriculture and Commerce Bank Ltd. started its operation from April 2013. Due to this concise operation phase, loan portfolio of the bank is in preliminary stage. Interest income of the Bank reached BDT 7,357.32 million, among which BDT 6,691.66 million was earned from interest income on loans & advances and the rest interest income was earned from money at call and short notice and placement with other banks and FIs in 2019. Investment income shared 22.97% of total operating income which has enhanced due to interest on government securities at the end of 2019. The Bank paid BDT 4,847.32 million interest expense majorly on FDR interest expense.

**Table 2**
**Key Performance Indicator of the Bank**

(Months)	(12)					
	2019		2018		2017	
(Mil. BDT)	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
Interest Income	7,357.32	14.59	6,420.41	34.74	4,764.89	23.96
Interest Expense	4,847.32	25.28	3,869.22	38.06	2,802.48	21.46
<b>Net Interest Income</b>	<b>2,510.00</b>	<b>(1.61)</b>	<b>2,551.19</b>	<b>30.00</b>	<b>1,962.41</b>	<b>27.71</b>
Income from Investments	1,217.52	32.69	917.54	(8.87)	1,006.84	(11.96)
Commission, Exchange & Brokerage	504.39	13.80	443.21	5.78	418.98	96.68
Other Operating Income	120.80	31.33	91.99	4.67	87.88	27.65
<b>Total Operating Income</b>	<b>4,352.72</b>	<b>8.71</b>	<b>4,003.93</b>	<b>15.18</b>	<b>3,476.12</b>	<b>17.35</b>
Total Operational Expenses	2,083.54	5.76	1,970.09	18.91	1,656.82	14.88
<b>Pre Provision Profit</b>	<b>2,269.18</b>	<b>11.57</b>	<b>2,033.84</b>	<b>11.79</b>	<b>1,819.30</b>	<b>19.70</b>
Provision	504.83	28.58	392.62	30.28	301.37	307.25
<b>Pre Tax Net Profit</b>	<b>1,764.35</b>	<b>7.50</b>	<b>1,641.22</b>	<b>8.12</b>	<b>1,517.93</b>	<b>4.98</b>
Tax expenses	796.75	4.61	761.64	42.12	535.90	7.95
<b>Net Profit After Tax</b>	<b>967.60</b>	<b>10.01</b>	<b>879.59</b>	<b>(10.43)</b>	<b>982.04</b>	<b>3.43</b>

Around 57.67% of the total operating income came from net interest income in 2019 (2018: 63.72%). Net interest income slightly reduced 1.61% in 2019 due to loan growth. During 2019, investment income of the bank shared 27.97% of total operating income due to hold Govt. securities as Primary Dealer mainly. From the total investment income 99.95% (BDT 1,216.88 million) came from interest on government securities. Fees & Commission income of the Bank was BDT 504.39 million including BDT 268.84 million incomes from exchange earnings at the end of December 2019. Other operating income was BDT 120.80 million which included banking service charges, swift and other charges etc.

Operating expense of the Bank consists of personnel expense and administrative expense. Operating expense of the Bank was BDT 2,083.54 million in 2019 grew 5.76% as there was sluggish business expansion. Pre provision profit of the Bank reached BDT 2,269.18 million at the end 2019. SBAC Bank kept provision of BDT 504.83 million enhanced due to elevated non performing loan in 2019. Thus profit after tax increased 10.01% to BDT 967.60 million at the end of 2019.

## CRAB Bank Rating

South Bangla Agriculture & Commerce Bank Ltd

**Table 3**

### Profitability Ratios of the Bank

(Months)	(12)			
(Figures in %)	2019	2018	2017	2016
Net Profit Margin	22.23	21.97	28.25	32.05
Return on Asset (ROA)	1.14	1.24	1.67	2.08
Return on Equity (ROE)	11.57	11.84	15.02	16.91
Asset Utilization	5.61	6.18	6.65	7.20
Leverage Ratio (times)	9.83	9.28	8.60	7.84
Net Interest Margin	4.17	4.87	4.66	4.71
Return on Avg. Risk weighted asset	1.70	1.78	2.32	3.03

Return on asset (ROA) and return on equity (ROE) reduced 0.10 and 0.27 percentage points in 2019 respectively. Net profit margin of the Bank enhanced slightly to 22.23% in 2019. Profitability of the Bank slightly reduced in respect of risk return perspective having a return of Return on average RWA reduced to 1.70% in the same duration. Net interest margin of the Bank decreased 0.70 percentage point and reached 4.17% in 2019 due to interest spread.

### Asset Evaluation

**Table 4**

### Asset Composition of the Bank

(Mil. BDT)	--Year ended December 31--					
	2019		2018		2017	
	Amount	%	Amount	%	Amount	%
Money at Call	-	-	80.00	0.11	-	-
Cash in hand and with BB	4,436.60	5.25	4,088.39	5.79	3,524.05	5.98
Balance with other Bank & FI's	7,016.90	8.30	7,038.85	9.96	4,147.77	7.04
Investment	15,034.61	17.78	7,032.56	9.95	6,390.88	10.84
Loans and advances	56,000.74	66.22	50,254.94	71.12	43,284.97	73.44
Fixed Assets	442.77	0.52	456.89	0.65	479.76	0.81
Other Assets	1,632.40	1.93	1,709.68	2.42	1,113.37	1.89
<b>Total Asset</b>	<b>84,564.00</b>	<b>100.00</b>	<b>70,661.31</b>	<b>100.00</b>	<b>58,940.78</b>	<b>100.00</b>

The Bank's total asset enhanced to BDT 84,564.00 million in 2019 grew by 19.68%. During 2019, the Bank's asset composition was dominated by loans & advances (66.22% of total) investment (17.78% of total) and balance with other bank & FI's (8.30% of total assets). The Bank kept BDT 3,677.34 million in Bangladesh Bank to fulfill regulatory requirement. Other assets of the Bank was BDT 1,632.40 million (1.93% of total) at the end of 2019 major portion of which includes advance income tax, advance rent, advertisement and accrued interest income. The Bank's Risk weighted asset to total asset was 67.21% in 2019 (2018: 69.88%).

### Investment

The Bank's investment portfolio grew significantly 113.79% to BDT 15,034.61 million at the end of 2019 due to major investment made in Govt. treasury bills and bonds. The Bank's investment is 99.99% comprised of Government securities. The purpose of investment in these securities is to meet statutory regulatory requirement (SLR) as well as to remain liquid. The Bank gained BDT 1,216.88 million from holding and trading of these government securities in 2019. The Bank started to work as a Primary Dealer of government securities as per directive and guide line of Bangladesh Bank.

**Credit Risk**

CRAB reviews the fundamentals of managing credit risk including qualitative and quantitative analysis as a part of credit risk evaluation. Qualitative evaluation includes credit policy, credit and credit monitoring. CRAB addresses intrinsic risk, concentration risk as well as risk arising from large loan exposures.

**Credit policy and Approval Process**

The Bank has its credit and non-performing loan policies to comply with the CRM guidelines of Bangladesh Bank for better controlling and monitoring purpose as well as to reduce risk and different types of irregularities. Considering the key elements of credit risk, the Bank has segregated duties of the officers/executives involved in credit related activities. Separate divisions for corporate, SME and retail have been formed which are entrusted with the duties for marketing of credit products, maintaining effective relationship with the customers as well as for exploring new business opportunities etc. The Bank has approved centralized credit operations. Under this process, branch managers initiate credit proposals. After a thorough credit check and credit risk assessment of the client in light of Credit Risk Management Policy Guidelines of the Bank, the fully documented credit proposal is sent to the credit division to initiate credit approval process. Credit risk management division thoroughly scrutinizes the proposal from risk weighted point of view and obtained recommendation from CEC (Credit Evaluation Committee) to place the proposal to the competent authority for final approval. Management can approve credit facility up to certain limit for speedy disposal of client's proposal as per delegation allowed by the Board. Board of Directors and EC approves all credit proposals beyond the delegated business approval power of the management. Credit administration division is responsible for handling disbursement. Compellation of document formalities is the responsibilities of the Branch and Branch ensures CAD through Loan Documentation Check List (LDCL) that the loans have been documented properly.

**Credit Quality & Portfolio Analysis**

CRAB analyzes Bank's credit quality in terms of past trend; present scenario as well as future aspects. In 2019, loan growth was 11.43%. During the year BDT 3,408.95 million (absolute amount) evolve as non performing loan which grew significantly from last year. Gross NPL ratio became 6.1% of total loans and advance at the end of 30 December 2019. There are CRM division of SBACL which maintains supervision and monitoring to lower its non performing loan. In 2019, fresh NPL generation was significant shared 14.38% of total loans and advances. Loan reschedule was BDT 5,604.86 million shared 10.01% of total loan portfolio in 2019. Cash recovery during the same period was BDT 33.34 million shared 0.06% of total loans.

**Table 5**
**NPL Movement of the Bank**

Mil. BDT	--Year ended December 31--					
	2019		2018		2017	
Particulars	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans
Opening balance of NPL	991.66	1.77	375.26	0.75	375.25	0.87
Add: Fresh NPL generation	8,055.49	14.38	619.70	1.23	-	-
Less: Cash Recovery	33.34	0.06	3.30	0.01	-	-
Less: Rescheduling	5,604.86	10.01	-	-	-	-
Less: Write off	-	-	-	-	-	-
<b>Closing Balance of NPL</b>	<b>3,408.95</b>	<b>6.09</b>	<b>991.66</b>	<b>1.97</b>	<b>375.25</b>	<b>0.87</b>

The Bank's total loan portfolio reached BDT 56,000.74 million grew by 11.43% in 2019. In the product wise segregation corporate loans (shared 43.12% of total) incurred 7.68% of NPL in its sector while small and medium enterprise financing (shared 40.35% of total) had 6.87% NPL in its sector. Also other loans shared 12.30% of total loan outstanding in 2019. The loan portfolio of the Bank reduced to BDT 55,641.05 million in the 2<sup>nd</sup> QTR of 2020.

**Table 6**

Segment wise Loan portfolio	Loan outstanding	% in Total loan	NPL in each segment	% of NPL in segment
FY2019	Amount in BDT Mill		Amount in BDT Mill	
Corporate	24,147.10	43.12	1,855.50	7.68
SME	22,598.46	40.35	1,551.96	6.87
Retail	1,478.98	2.64	1.49	0.10
Agriculture Loan	889.38	1.59	-	-
Other	6,886.81	12.30	-	-
<b>Total</b>	<b>56,000.73</b>	<b>100.00</b>	<b>3,408.95</b>	<b>6.09</b>

The Bank maintained BDT 517.58 million as general provision for unclassified loans and advances including provision for off balance sheet exposures BDT 133.65 million in 2019. Due to fresh NPL generation during 2019 specific provision was maintained BDT 971.50 million.

**Table 7**

Loan Loss Provision of the Bank						
--Year ended December 31--						
Mil. BDT	2019		2018		2017	
Particulars	Amount	% of Total Loans (%)	Amount	% of Total Loans (%)	Amount	% of Total Loans (%)
General Provision Held	517.58	0.92	469.67	0.93	515.71	1.19
Specific Provision Held	971.50	1.73	516.58	1.03	82.92	0.19
<b>Total Provision Held</b>	<b>1,489.08</b>	<b>2.66</b>	<b>986.25</b>	<b>1.96</b>	<b>598.64</b>	<b>1.38</b>
Required Provision	2,096.75	3.74	1,211.09	2.41	598.64	1.38
<b>Provision Surplus/(deficit)</b>	<b>(607.68)</b>	<b>(1.09)</b>	<b>(224.83)</b>	<b>(0.45)</b>	-	-

CRAB looks at pre-provision profit (PPP) to net loans for assessing the Bank's ability to survive against unfavorable circumstances in future. The Bank's PPP to net loan ratio in 2019 was 4.15% (2018: 4.10%). Pre-provision profit to net loans of the Bank indicates that 4.15% of currently performing loans can be written off without charging on reserves and equity. The Bank's SMA to total loan ratio was 4.47% in 2019 whereas top 10 SMA loans shared 64.89% of total SMA loan in 2019.

#### Large Loan Exposure

As of 31 December 2019, the Bank's top 50 large loan exposures (both funded & non-funded) amounted to BDT 30,668.20 million against approved facilities of BDT 41,240.50 million. The Bank has relatively higher credit concentrations in terms of large loan exposure. The Bank's top 50 funded loans and advances in 2019 held 54.76% of total loan portfolio and 3.91 times of core capital of the Bank. Among these 50 large loan exposures, 46 loans were reported as unclassified at the end of 2019. The Bank's 20 clients loans aggregate amounted BDT 14,372.43 million (both funded and non-funded) outstanding was more than 10.00% of the total capital in 2019.

#### Loan Portfolio Analysis

Economic purpose wise loan distribution of the bank showed that, loans and advances portfolio was dominated by trade and commerce (32.88% of total) followed by other manufacturing industries (19.06% of total) and textile and readymade garments combined shared (10.12% of total). In 2019, Sector wise NPL rate depicts that trade & commerce sector shared (11.00% NPL of total sector), agro based shared (10.49% NPL of total sector) and other manufacturing industries shared (6.50% NPL of total sector) experienced significant NPL rate.

## CRAB Bank Rating

South Bangla Agriculture & Commerce Bank Ltd.

Table 8

Economic Purpose wise loan segregation	Loan Portfolio(A)	% in Loan Portfolio	Sector wise NPL (B)	NPL % in sector
<b>For the year ended 30 Dec 2019</b>				
<b>( Amount in BDT Mill)</b>				
Agriculture, Fisheries & Forestry	889.38	1.59	-	-
Textile Mills	4,663.42	8.33	-	-
Rubber & Plastic Industries	1,159.70	2.07	-	-
Readymade Garments	1,005.53	1.80	-	-
Chemical Industries	502.13	0.90	-	-
Iron, Steel & Aluminum Industries	1,732.30	3.09	19.89	1.15
Hospital, Clinic & Pathology	431.07	0.77	-	-
Fuel & Electricity	503.18	0.90	-	-
Agro-based Industries	5,522.33	9.86	579.12	10.49
Printing & Packaging Industries	370.81	0.66	-	-
Transport	408.21	0.73	-	-
Real Estate	596.62	1.07	-	-
Other Manufacturing Industries	10,673.35	19.06	694.07	6.50
Financial Corporation	954.90	1.71	-	-
Household	596.60	1.07	9.33	1.56
Trade & Commerce	18,411.50	32.88	2,025.66	11.00
Consumer Credit	692.90	1.24	-	-
Others	6,886.80	12.30	80.88	1.17
<b>Total</b>	<b>56,000.73</b>	<b>100.00</b>	<b>3,408.95</b>	<b>6.09</b>

### Capital Adequacy

In 2019, Bank's paid up capital and statutory reserve reached BDT 7,703.83 million. The Bank's equity to total deposit & borrowing was 11.51% in 2019. Tier I and Tier II capital of the Bank reached BDT 8,393.08 million in 2019. However, the risk weighted asset of the Bank was insignificant as the loan portfolio size was small which depends on the duration of operational period. SBACL's capital to risk weighted asset ratio reduced to 14.73% against regulatory requirement of 11.87% including capital conservation buffer under Basel III at the end of 2019.

Table 9

Capital Structure of the Bank						
--Year ended December 31--						
Mil. BDT	2019		2018		2017	
Particulars	Amount	% of RWA	Amount	% of RWA	Amount	% of RWA
Tier 1 Capital	7,853.48	13.82	7,367.76	14.92	6,488.18	15.31
Tier 2 Capital	517.58	0.91	460.07	0.93	524.52	1.24
<b>Total Capital</b>	<b>8,371.06</b>	<b>14.73</b>	<b>7,827.83</b>	<b>15.85</b>	<b>7,012.70</b>	<b>16.54</b>
Required Capital @12.5%	7,104.30	12.50	5,863.94	11.87	4,715.86	11.25
<b>Capital Surplus/ (Shortfall)</b>	<b>1,266.76</b>	<b>2.23</b>	<b>1,963.89</b>	<b>3.98</b>	<b>2,296.84</b>	<b>5.29</b>

The risk weighted asset of the rated corporate client of the Bank was BDT 10,253.98 million as of December 2019 against actual exposure of BDT 15,631.39 million. It is observed that 63.59% of the rated clients belong to 'AA', 32.69% belong to "BBB" and 3.71% rated clients is unrated categories in 2019. RWCAR may be affected in near future if client ratings are not continued. The Bank conducted stress testing based on "Simple Sensitivity and Scenario Analysis". Stress test revealed that the Bank's capital adequacy ratio would be highly affected from enhanced non performing loan and default of top 10 large loan borrowers.

### Funding and Liquidity

In 2019, the Bank's asset was funded through deposit along with equity due to its duration of operation. At the end of 2019, the Bank's asset was funded by deposit (84.60% of total asset) followed by equity (9.89% of total asset). Total deposit of the Bank reached BDT 71,540.16 million in 2019 which was dominated by term deposit (82.87% of total deposit) followed by current deposit (7.69% of total deposit) and savings deposit (6.05% of total deposit).

**CRAB Bank Rating**

South Bangla Agriculture &amp; Commerce Bank Ltd.

**Table 10**
**Funding Mix of the Bank**

--Year ended December 31--									
(Mil. BDT)	2019			2018			2017		
Particulars	Amount	%	Growth (%)	Amount	%	Growth (%)	Amount	%	Growth (%)
Current Deposit	5,502.07	7.69	15.89	4,747.68	8.01	38.16	3,436.32	6.86	13.26
Bills Payable	2,420.68	3.38	46.55	1,651.82	2.79	19.80	1,378.78	2.75	9.82
Savings Deposit	4,329.31	6.05	56.95	2,758.44	4.65	50.47	1,833.22	3.66	42.75
Term Deposit/Fixed Deposit	59,288.10	82.87	18.23	50,146.40	84.56	15.35	43,473.18	86.74	32.69
Other Deposit	-	-	-	-	-	-	-	-	-
<b>Total Deposit</b>	<b>71,540.16</b>	<b>100.00</b>	<b>20.63</b>	<b>59,304.33</b>	<b>100.00</b>	<b>18.32</b>	<b>50,121.49</b>	<b>100.00</b>	<b>30.74</b>

Advance to Deposit ratio of the Bank reached 78.3% at the end of 2019. Average monthly AD ratio was 82.9% in 2019. The Bank's top 10 depositors shared 4.00% of total deposit in 2019. Up to 2<sup>nd</sup> quarter of 2020, total deposit reached BDT66,265.8 million. A/D ratio at the end of 30 June, 2020 of the Bank was 84.0%.

**Table 11**
**Month wise Advance to Deposit Ratio of the Bank**

--For the Year 2019--												
Mil. BDT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Loans / Advances	46,792.3	49,134.2	50,650.5	50,739.0	51,262.7	53,147.9	51,606.7	51,422.9	53,715.3	53,553.4	53,180.2	56,000.7
Deposit	55,045.3	58,359.4	58,781.0	58,200.0	59,655.2	63,082.9	62,304.9	63,409.8	64,886.5	65,475.5	58,585.7	71,540.2
<b>*A/D ratio (%)</b>	<b>82.6</b>	<b>84.2</b>	<b>86.2</b>	<b>87.2</b>	<b>85.9</b>	<b>84.3</b>	<b>82.8</b>	<b>81.1</b>	<b>82.8</b>	<b>81.3</b>	<b>77.5</b>	<b>78.3</b>

The average cost of deposit of the Bank was 7.91% in 2019. Average cost of deposit & borrowing of the Bank was high mainly because of Bank's fierce contest among existing industry players and short operation period. The Bank actively participated in the call money market since its commencement and was net borrower throughout the year. Call money market borrowing rate ranged from 5.0% to 3.5% in 2019. (Table 12)

**Table 12**
**Month wise Call Market Operation of the Bank**

--For the Year 2019--												
Mil. BDT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Call Lending	250.0	118.0	106.3	96.3	131.7	306.1	400.0	-	10.0	160.0	432.5	425.0
Avg. Interest Rate (%)	4.5	4.5	4.5	4.5	4.5	4.5	4.1	-	5.0	4.5	2.8	4.2
Call Borrowing	544.1	618.8	282.9	235.8	125.0	193.7	975.2	337.6	374.7	897.7	1,021.1	1,084.2
Avg. Interest Rate (%)	3.5	4.3	4.5	4.5	4.5	4.4	2.5	4.6	5.0	4.4	4.0	4.4
<b>Call Lending/(Borrowing)</b>	<b>(294.1)</b>	<b>(500.8)</b>	<b>(176.6)</b>	<b>(139.5)</b>	<b>6.7</b>	<b>112.4</b>	<b>(575.2)</b>	<b>(337.6)</b>	<b>(364.7)</b>	<b>(737.7)</b>	<b>(588.6)</b>	<b>(659.2)</b>

The Asset-Liability maturity of the Bank shows that the Bank possessed positive net liquidity gap for all maturity buckets. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the Bank in 2019 were 120.17% and 183.97% respectively. The Bank's liquid asset to deposit and borrowings ratio was 36.46% in 2019.

**Table 13**
**Liquidity Profile of the Bank**

As of 31 <sup>st</sup> December, 2019						
Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 yrs	Total
Assets	18,397.81	18,102.67	22,308.13	11,529.94	14,225.45	84,564.01
Liabilities	14,264.04	17,594.68	22,036.13	10,699.15	11,607.04	76,201.04
<b>Net Liquidity Gap</b>	<b>4,133.77</b>	<b>507.99</b>	<b>272.00</b>	<b>830.80</b>	<b>2,618.40</b>	<b>8,362.96</b>

## CRAB Bank Rating

South Bangla Agriculture & Commerce Bank Ltd.

Cumulative Liquidity Gap	4,133.77	4,641.76	4,913.76	5,744.56	8,362.96	16,725.92
Gap as % of Liability (%)	28.98	2.89	1.23	7.77	22.56	10.97

**Table 14**

### Interest Rate Risk Exposure

Year ended December 31, 2019					
(Mil. BDT)	Up to 1 month	1-3 months	3-6 months	6-12 months	
Interest Sensitive Assets	250.96		126.48	94.47	106.20
Interest Sensitive Liabilities	134.98		166.55	110.31	87.57
<b>GAP</b>	<b>115.98</b>		<b>(40.07)</b>	<b>(15.84)</b>	<b>18.63</b>
Cumulative Earning Impact (1% Points Interest Rate Increase)	0.10		0.03	(0.01)	0.08
Cumulative Earning Impact (1% Points Interest Rate Decrease)	(0.10)		(0.03)	0.01	(0.08)

The above exhibit 14 shows the maturity wise interest sensitive asset and liabilities and thereby the exposures to interest rate risk of the Bank. The Bank had asset sensitive positions in all maturity buckets except 1-3 months and 3-6 months bucket. GAP indicates that the Bank will be benefited on increasing interest rates and will suffer on decreasing interest rate scenario marginally. For 1 percentage point interest rate increase, the Bank will gain BDT 0.08 million and will lose the same amount for 1 percentage point interest rate decrease. The Bank is taking steps to reduce duration gaps by approving lower duration for assets and higher duration for liabilities.

### Foreign Exchange Risk

The Bank is also exposed to potential changes in earnings like any other bank arising due to change in market price of currency and the position in the currency that is held during the changes. To address this issue, all foreign exchange activities have been segregated between Front office, mid office and Back office. The front office is involved only in dealing activities and the back office is responsible for all deals related settlement and support functions. Treasury mid-Office is responsible for risk analyzing and reporting functions.

**Table 15**

### Foreign Currency Exposure of the Bank

Particulars	As of 31 <sup>st</sup> December, 2019			
	Assets	Liabilities	Overall Net Positions	Net Positions/Core Capital (%)
USD	599.1	-	599.1	7.6
EURO	1.0	-	1.0	0.01
AUS	-	-	-	-
CAD	-	-	-	-
GBP	0.3	-	0.3	0.00
CHF	-	-	-	-
JPY	201.8	-	201.8	2.6

Treasury Division monitors the market scenario of risks and manages the foreign exchange operations in a way so that earnings are not hampered by any adverse movement in market prices. The Bank's overall net open position was dominated by US dollar having 7.6% of core capital as maximum FC settlements are being done by USD. Net open position of the Bank was within limit. Foreign currency dealing profit of the Bank was BDT 268.84 million in 2019.

**Off Balance Sheet Exposures**
**Table 16**
**Off Balance Sheet Exposure of the Bank**

--Year ended December 31--						
Mil. BDT Particulars	2019		2018		2017	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
Acceptances and Endorsements	2,861.74	18.66	3,321.58	27.67	3,043.41	5.16
Letter of Guarantee	6,583.29	42.93	4,195.41	34.95	2,810.54	4.77
Letter of Credit	3,920.54	25.57	3,565.01	29.70	4,126.40	7.00
Bills for Collection	1,969.82	12.84	922.76	7.69	967.38	1.64
Other Contingent Liabilities		-		-	816.10	1.38
<b>Total</b>	<b>15,335.40</b>	<b>100.00</b>	<b>12,004.77</b>	<b>100.00</b>	<b>11,763.83</b>	<b>19.96</b>

The Bank's total off-balance sheet portfolio enhanced 27.7% in 2019. Total off-balance sheet portfolio reached BDT 15,335.40 million which was 18.13% of total assets at the end of 2019. Contingent Liabilities portfolio was dominated by letter of guarantee (42.93% of total asset) followed by letter of credit (25.57% of total asset) and acceptances and endorsements (18.66% of total asset) in the same duration.

**Budget and Achievement**

As per the Bank's budget for 2020, there is a target to increase loan portfolio to BDT 60,000.00 million. The Bank's loans and advance was BDT 56,616.49 million at the end of 30 June 2020. Deposit increased to BDT 66,265.86 million at the end of 2<sup>nd</sup>QTR 2020 achieved 94.67% of target. Total operating income of the Bank was BDT 1,679.35 million at the end of 2<sup>nd</sup>quarter of 2020 which was 21.80% of projected operating income for financial year 2020.

**Table 17**

Key Performance Indicator of the Bank			
(Months)	(6)		(12)
	As of 30 June 2020	% of target	Estimated projection as of 31st Dec'2020
(Mil. BDT)	Amount		Amount
Loans	56,616.49	94.36	60,000.00
Deposit	66,265.86	94.67	70,000.00
Interest Income	3,338.74	57.69	5,787.50
Interest Expense	2,602.08	56.31	4,620.78
Net Interest Income	736.66	63.14	1,166.72
Total Operating Income	1,679.35	21.80	7,703.90
Total Operational Expenses	983.32	15.13	6,497.67
Pre provision Profit	696.03	57.70	1,206.24

**BRANCH NETWORK**

Presently the Bank has 82 branches across the country. The Head office of the Bank is located at Motijheel, Dhaka. Among the 82branches, 37 are urban branches and the rest are in rural areas. The selection of location for expanding the distribution network depends on products, customer segments. The Bank extending its ATM networks through ITCL and NPSB (National Payment Switch Bangladesh).

**■ EARNINGS DIVERSIFICATION**

The Bank started its operation in April 2013; therefore it is in the process of creating new products and services and thereby acquiring new customer base. Presently principal services offered are as follow:

- **Personal/Retail Banking:** The Bank offers all kind of retail banking related products and services including deposit account, personal loans, credit card, inward and outward remittances, BFTN, RTGS, Debit cards etc. In previous years, SBACL has launched SOD(export), Nostro Account AUD and locker services too.
- **Corporate Banking:** The Bank offers all kind of services to its corporate client groups combining trade, project, syndication, structured finance, investment and transactional banking activities
- **SME Banking:** The Bank has strong focus towards SME banking. Thus SBAC has designed different SME products according to the needs of the customers. It includes Women Entrepreneurship loan (Shuchona), SME loan named loan: – KarjokorPuji, Binimoy Rin, Utshob Rin, Fast Loan etc.
- **Agriculture Banking:** The Bank offer a wide range of product & service towards the mass people related to agriculture. There are diverse range of agribusiness products and commodities and services offered by the Bank.

**■ MANAGEMENT****Senior Management**

The management of the Bank is headed by the Managing Director & CEO Mr. Tariqul Islam Chowdhury. Mr. Tariqul is in the position of Managing Director from 18 March 2020. He joined the bank as a deputy managing director on 01 July 2018. Prior to the appointment, he served as the DMD of state-owned Sonali Bank Ltd. He started his career with Sonali Bank as a financial analyst in 1984 and has more than three decades of banking experience in diversified fields, including as branch manager, regional manager, divisional manager, head of HR and head of credit in Sonali Bank. He completed his B.Com and M.Com degrees in accounting from the University of Dhaka. He served as Additional Managing Director of SBACL prior to this position. The Managing Director & CEO is supported by a group of trained and experienced professionals comprising of departmental heads and other senior officials.

For smooth operations, the Bank has formed following committees:

**Management Committee (MANCOM):** Management Committee comprised of 12 senior officials of the company and is headed by the Managing Director & CEO. The committee is responsible for over-all management of the Bank with the governance of the Board. It also ensures the implementation of core risk management as per Bangladesh Bank guidelines. They meet regularly to discuss relevant matter of the business. The committee held 12 meetings in 2019.

**Asset Liability Management Committee (ALCO):** ALCO comprised of members and is headed by the Managing Director & CEO. The committee meets regularly to monitor liquidity risk, market risk and capital management of the Bank. It discusses latest position of deposits, cost of deposits, A/D ratio, interbank dependence, mobilization of wholesale funds, interest rate of peer banks, NPA position etc. ALM desk prepares the ALCO papers and presents to the committee for decision making purpose. The committee held 12 meetings in 2019. Moreover the ALM policy of the Bank was revised in line with the ALM guidelines of Bangladesh Bank.

**Human Resource Management**

The HR division of the Bank is combined of 06 officials headed by a senior executive of the Bank. The Bank has defined HR policies including recruitment, training & development, promotion, leave, transfer, and disciplinary action policy. As the Bank recently started its operation, internal recruitment procedures for experienced bankers are considered to fill up the mid and top management positions. Total human resources strength of the Bank was 869 at the end of 2019 (2018: 801). Employee turnover was 1.27% in 2019. Total 79 employees recruited in line with the business growth of the Bank. The Bank already has established its own training institute. In 2019, different internal and external training programs/Workshops were arranged by the training institute where 990 employees of different grades of the bank participated.

**Management Information System (MIS)**

The ICT division is headed by a senior official of the Bank. There were 26 personnel working in this division in 2019. The MIS team of the Bank is working on designing and developing effective MIS involving end users. SBACL installed an integrated data warehouse system to collect data from different transaction processing software. Card management system, Remittance software, BACH software, RTGS software, HRM software, CIB online and warehouse them in RDBMS with unique, normalized and accessible format. A supervision & Monitoring system is in place to comply with Bangladesh Bank guideline. It is used to generate various kinds of reports needed to submit in variant frequencies. A Banking Dashboard is used to view BI related information along with analytical graphs and reports. The Bank continuously updates these reporting systems to comply with enhancing reporting requirements. SBACL is working on to protect sensitive customer information and transaction through advance technology. The Bank's security operations centre monitor activities on servers, network devices, security devices and critical databases. To comply with Bangladesh Bank mandates, ATM security and surveillance were enhanced with anti skimming devices in the ATMs. SBACL is on the process of digital banking apps, mobile wallet and automation technology.

**■ CORPORATE GOVERNANCE**

To assess the Bank's corporate governance practices CRAB evaluates the quality of financial reporting and disclosures, strength of internal control system and internal audit function; the inclusion of appropriate qualified independent non-executive directors on Board of Directors, the formation of audit committee; delegation of power to executives and staff and protection of shareholders' rights. CRAB evaluates how the Bank complies with these corporate governance requirements.

**Financial Reporting and Disclosures**

The financial statement of the Bank was audited by a reputed chartered accountant firm HodaVasi Chowdhury & Co. According to them the financial statements of the Bank were prepared and presented in accordance with International Financial Reporting Standards, the Bank Companies Act 1991, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. According to the auditor the financial statements gave a true and fair view of the state of the Bank as at December 31, 2019.

**Board of Directors**

The Bank's Board comprises 18 members including the Managing director and CEO of the Bank. Presently Mr. S. M. Amzad Hossain is the Chairman and Mr. Talukder Abdul Khaleque is the Vice Chairman of the Bank. Board is involved in policy formulations, strategic direction setting, business plan approval and review of various activities and also providing necessary direction to the management for conducting businesses in a competitive and profitable manner. Board also ensures effective risk management across the Bank as per the central bank's guidelines. The Bank's Board of Directors meets once in a month; may hold more meetings in case there are special needs to review and monitor regulatory compliance, financial reporting, internal controls etc. The Board held 48.98% share of the total shareholding structure. The Board held 14 meetings in 2019. The Board has three sub committees, Executive Committee, Audit Committee and Risk Management Committee.

**Executive Committee**

The Executive Committee of the Board has 5 members. Presently, Mr. Talukder Abdul Khaleque is the Chairman of the committee. The committee is responsible for administration, investment aspect, expansion of business, property purchase of the Bank, rescheduling of the loans etc. The Executive Committee reviews all the proposals for loans and advances that do not fall within the discretion of the Managing Director. The Board confirms the decision of all Executive Committee meetings and assesses the operational results. The committee held 13 meetings in 2019.

**Audit Committee**

The Audit Committee of the Board comprises of 5 members. Mr. Md. Sajidur Rahman is the Chairman of the committee. The committee reviewed the inspection reports of different branches including divisions of Head office of the Bank. This committee reviewed quarterly, half yearly and annual financial statement of the Bank, Also this committee reviewed internal control and compliance system under the risk based internal audit system of the bank. The committee held 05 meetings in 2019.

**Risk Management Committee**

The Risk Management Committee comprises of 5 members of the BOD's of the Bank. The Committee is headed by Captain M. Moazzam Hossain as Chairman. The Committee focuses on six core risk management areas as prescribed by Bangladesh Bank including credit risk management, asset liability management, foreign exchange risk management, ICT risk management, internal control & compliance risk management and anti-money laundering risk management. The committee held 04 meetings in 2019.

**Internal Control and Compliance**

Internal Control and Compliance division is the point of contact for regulatory inspection/queries on operation of the Bank. The department is headed by a senior level executive of the Bank. The division has three departments (i) Audit and inspection department, (ii) Compliance unit and (iii) Monitoring unit. Internal Audit and inspection department provides an assessment on the adequacy and effectiveness of the Bank's process for controlling its activities and managing its risks. It follows systematic and disciplined approach to evaluate and improve the effectiveness of management, control and governance processes. It also ensures implementation status of instructions and policy guidelines of the Board of Directors, Executive Committee of the Board and Audit Committee of the Board. Compliance unit ensures that the Bank's operations are in proper compliance with the governing rules, regulations and policies. This department maintains liaison with the regulators at all levels and notifies the other units about the regulatory changes time to time. Monitoring unit monitors and follows-up the ethical standards through Departmental Control Function Checklist, Quarterly Operations Report, Loan Documentation Checklist etc. after receiving the compliance report monitoring unit carefully checks the compliance status with the help of the system.

**■ 2<sup>nd</sup> Quarter 2020 Performance of the Bank**

As of 30 June 2020, total loan portfolio of the Bank was BDT 56,616.49 million. On the other hand, deposit portfolio slightly reduced to BDT 66,265.86 million. Gross NPL (in absolute amount) was BDT 3,096.22 million during the 2<sup>nd</sup> QTR quarter of 2020. Therefore, gross NPL ratio became 5.48% on 30 June 2020. Capital to Risk weighted Asset ratio was 14.29% mainly resulted from increased RWA at the end of 30 June 2020. The Bank earned BDT 736.65 million net interest income at the end of 30 June 2020. Profit after tax reached BDT 338.88 million at the end of 2<sup>nd</sup> Qtr 2020.

**Table 18:**
**2<sup>nd</sup> Quarter 2020 Performance of the Bank**

<i>(Mil BDT)</i>	<i>At the End of June, 2020</i>	<i>At the End of December, 2019</i>
	<i>(6)</i>	<i>(12)</i>
Loans and Advances	56,616.49	56,000.74
Deposit	66,265.86	71,540.16
Gross NPL	3,096.22	3,408.95
Loan to Deposit Ratio (%)	83.97	78.28
Gross NPL Ratio (%)	5.48%	6.09
Capital to Risk Weighted Asset Ratio (%)	14.29	14.73
	<i>At the End of June, 2020</i>	<i>At the End of June, 2019</i>
<i>(Months)</i>	<i>(6)</i>	<i>(6)</i>
Net Interest Income	736.65	1,278.30
Total Operating Income	1,679.35	1,920.78
Total Operating Expenses	983.32	1,011.40
Profit Before Provision	696.03	909.38
Provision	78.73	192.52
Profit/(loss) After Tax	338.88	375.85

**CRAB Bank Rating**

South Bangla Agriculture &amp; Commerce Bank Ltd.

**ANNEXURE I: Corporate Information**
**Table 1.1:**

Shareholding Structure of the Bank as of 31 Dec 2019		
Name	Position	% of Shareholding
Mr. S. M. Amzad Hossain	Chairman	3.53
Mr. Talukder Abdul Khaleque	Vice Chairman( Independent Director)	-
Ms. Begum Sufia Amjad	Director	3.36
Mr. Abu Zafar Mohammad Shofiuddin	Director	4.89
Mr. Abdul Kadir Molla	Director	4.89
Engr. Md. Moklesur Rahman	Director	4.89
Capt. M.Moazzam Hossain	Director	4.99
Mr. Hafizur Rahman Babu	Director	3.67
Mr. Anwar Hussain	Director	0.61
Mrs. Tahmina Afroz	Director	4.89
Ms. Kamrun Nahar	Director	1.22
Al- Haj Mizanur Rahman	Director	3.53
Mr. Muhammed Nawaz	Director	4.01
Mr. Mohammed Ayub	Director	4.09
Dr. Syed Hafizur Rahman	Independent Director	-
Mr. Md. Sajidur Rahman	Independent Director	-
Mr. SakhawatHussain , Haji ShakhawatAnwara Eye Hospital Ltd.	Nominator of Director	-
Mr. SK Shyedujjaman represent from Moonstar ceramic industries Ltd.	Nominator of Director	-

**AUDITORS FOR THE YEAR 2019**

Hoda Vasi Chowdhury &amp; Co., Chartered Accountants

**Table 1.2**

Structural Liquidity Profile of the Bank					
Mil. BDT	As of 31st December, 2019				
	Up to 1 month	1-3 months	3-12 months	1 to 5 years	More than 5 years
Net Mismatch	(392.49)	(657.57)	1,182.01	(2,241.95)	763.66
Cumulative Net Mismatch	(392.49)	(1,050.06)	131.95	(2,110.00)	(1,346.34)

**Table 1.3**

List of rated corporate clients					
(Mil. BDT)		Year ended December 31, 2019			
Agency Rating	BB rating	Exposure/Outstanding	RWA	%	
AAA, AA	1	9,940.60	4,418.12	63.59	
A	2				
BBB	3	5,110.50	5,110.50	32.69	
BB	4				
B	5				
CCC	5				
CC	5				
C,D	6				
Un rated		580.29	725.36	3.71	
<b>Total</b>		<b>15,631.39</b>	<b>10,253.98</b>	<b>100.00</b>	

## CRAB Bank Rating

South Bangla Agriculture & Commerce Bank Ltd.

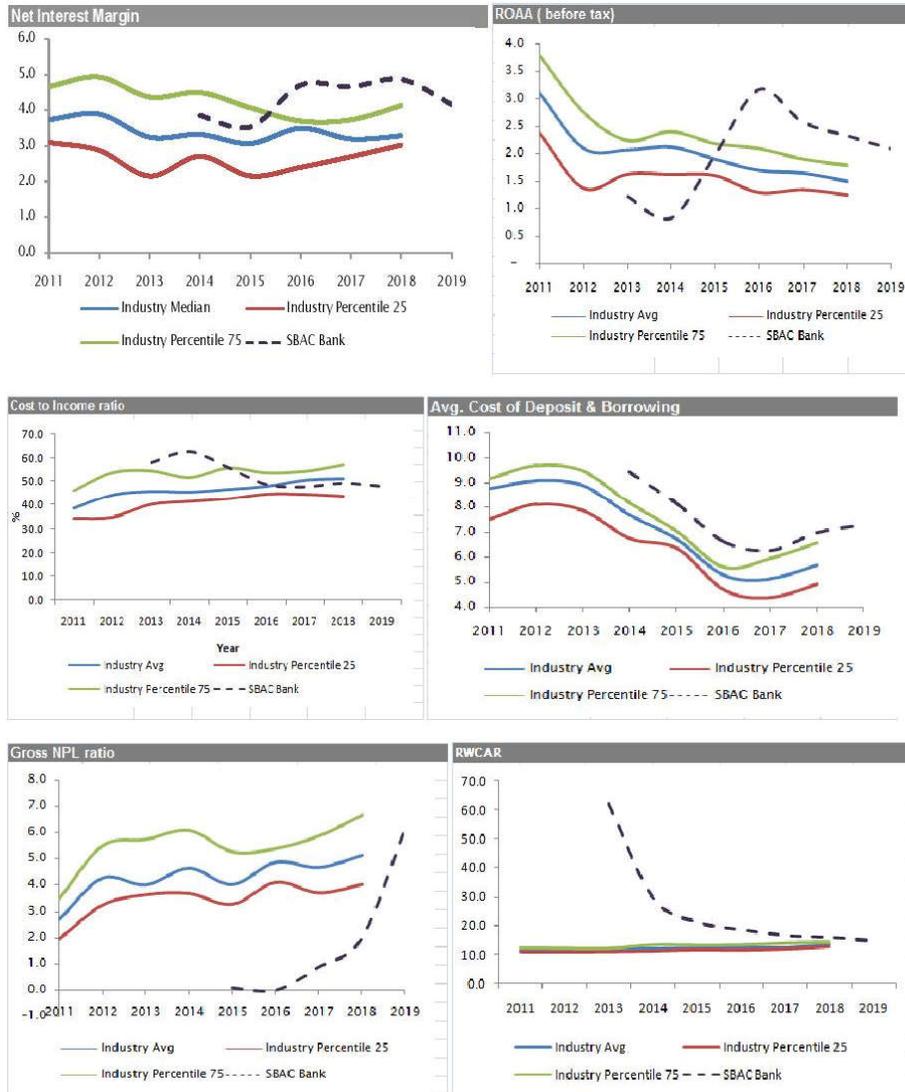
**Table 1.5**

	2019	2018	2017	2016	2015	2014
<b>Cost of Deposit</b>	7.76%	7.43%	6.69%	6.34%	7.50%	9.90%
<b>Cost of Fund</b>	10.47%	10.41%	10.06%	9.47%	10.95%	13.27%
<b>Yield on Loans</b>	12.88%	12.99%	12.03%	12.67%	14.10%	15.37%

**TABLE 1.6**

Previous Ratings History			
Date of Rating	Long Term	Short Term	Outlook
27 June 2019	A <sub>3</sub>	ST-2	Stable
27 June 2018	A <sub>3</sub>	ST-2	Stable
21 June 2017	A <sub>3</sub>	ST-2	Stable
02 June 2016	BBB <sub>1</sub>	ST-2	Stable
30 June 2015	BBB <sub>2</sub>	ST-2	Developing
30 June 2014	BBB <sub>2</sub>	ST-2	Stable

**ANNEXURE 2: Comparison with Industry**



**ANNEXURE 3: Definition, Formula & Assumptions****■ Definitions of Selected Ratios**

1. Loans and advances include Loans, Cash Credit, Overdrafts, Bill purchased and discounted unless mentioned otherwise.
  2. Deposits include Deposits & other accounts and bills payables unless mentioned otherwise.
  3. Average Assets, Average investment assets, Average Earning Assets and Average equity are calculated on the basis of opening and year end balances.
  4. Interest Earning Assets include total loans & advances, money at call & short notice, balance with other banks & FIs, foreign currency balance with Bangladesh Bank and interest earning assets in Offshore Unit.
  5. Net Loans & Advances has been calculated by deducting Specific Provision and Interest Suspense Accounts from Gross Loans & Advances.
  6. Net Interest Margin = Net interest income / Average Interest Earning Assets.
  7. Net Profit Margin = Net Profit after Tax / Operating Income
  8. Asset Utilization = Operating Income / Average Assets
  9. Leverage Multiplier = Average assets / Average Equity
  10. Yield on Average Investment = Income from Investment / Average Investment Assets
  11. Internal capital generation = (Net profit after tax + General provision)/average equity (%)
  12. Liquid asset to deposit and borrowing = ( cash in hand+ cash in BB,SB other banks and FIs+ money at call & short notice+ investment in Govt. securities ) / ( Inter-bank borrowing + Deposits)%
-

**APPENDIX 4: Assumptions for Interest Risk Exposure**

1. Assets and liabilities are re-priced on the first day of the re-pricing interval and, therefore, that interest rate change affects the whole period.
2. Assets and liabilities are rolled over into the same types of instruments with the same maturities.

**CRAB RATING SCALES AND DEFINITIONS – LONG TERM: BANKS**

<b>RATING</b>	<b>DEFINITION</b>
<b>AAA</b> Triple A (Extremely Strong Capacity & Highest Quality)	Commercial Banks rated 'AAA' have extremely strong capacity to meet their financial commitments. 'AAA' is the highest issuer credit rating assigned by CRAB. AAA is judged to be of the highest quality, with minimal credit risk.
<b>AA<sub>1</sub>, AA<sub>2</sub>, AA<sub>3</sub>*</b> Double A (Very Strong Capacity & Very High Quality)	Commercial Banks rated 'AA' have very strong capacity to meet their financial commitments. They differ from the highest-rated Commercial Banks only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk.
<b>A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub></b> Single A (Strong Capacity & High Quality)	Commercial Banks rated 'A' have strong capacity to meet their financial commitments but are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than Commercial Banks in higher-rated categories. A is judged to be of high quality and are subject to low credit risk.
<b>BBB<sub>1</sub>, BBB<sub>2</sub>, BBB<sub>3</sub></b> Triple B (Adequate Capacity & Medium Quality)	Commercial Banks rated 'BBB' have adequate capacity to meet their financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the Commercial Banks to meet their financial commitments. BBB is subject to moderate credit risk.
<b>BB<sub>1</sub>, BB<sub>2</sub>, BB<sub>3</sub></b> Double B (Inadequate Capacity & Substantial Credit Risk)	Commercial Banks rated 'BB' are less vulnerable in the near term than other lower-rated Commercial Banks. However, they faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which may lead to the Commercial Bank's inadequate capacity to meet their financial commitments. BB is judged to have speculative elements and is subject to substantial credit risk.
<b>B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub></b> Single B (Weak Capacity & High Credit Risk)	Commercial Banks rated 'B' are more vulnerable than the Commercial Banks rated 'BB', but the Commercial Banks currently have the capacity to meet their financial commitments. Adverse business, financial, or economic conditions are likely to impair the Banks' capacity or willingness to meet their financial commitments. B is considered speculative and weak capacity and is subject to high credit risk.
<b>CCC<sub>1</sub>, CCC<sub>2</sub>, CCC<sub>3</sub></b> Triple C (Very Weak Capacity & Very High Credit Risk)	Commercial Banks rated 'CCC' are currently vulnerable, and are dependent on favorable business, financial, and economic conditions to meet their financial commitments. CCC is judged to be of very weak standing and is subject to very high credit risk.
<b>CC</b> Double C (Extremely Weak Capacity & Extremely High Credit Risk)	Commercial Banks rated 'CC' are currently highly vulnerable. CC is highly speculative and is likely in, or very near, default, with some prospect of recovery of principal and interest.
<b>C</b> Single C (Near to Default)	A 'C' rating is assigned to Banks that are currently highly vulnerable to non-payment of obligations, or in the verge of default or faced with insolvency petition or bankruptcy petition or similar actions, but have not yet experienced a payment default with external support.
<b>D</b> (Default)	'D' is in default. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

**\*Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

**CREDIT RATING SCALES AND DEFINITIONS – SHORTTERM: BANKS**

RATING	DEFINITION
<b>ST-1</b> Highest Grade	Commercial Banks rated in this category are considered to have the highest capacity for timely repayment of obligations. Commercial Banks rated in this category are characterized with excellent position in terms of liquidity, internal fund generation, and access to alternative sources of funds.
<b>ST-2</b> High Grade	Commercial Banks rated in this category are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds.
<b>ST-3</b> Average Grade	Commercial Banks rated in this category are considered to average capacity for timely repayment of obligations, although such capacity may impair by adverse changes in business, economic, or financial conditions. Commercial Banks rated in this category are characterized with satisfactory level of liquidity, internal fund generation, and access to alternative sources of funds.
<b>ST-4</b> Below Average Grade	Commercial Banks rated in this category are considered to have below average capacity for timely repayment of obligations. Such capacity is highly susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories. Commercial Banks rated in this category are characterized with average liquidity, internal fund generation, and access to alternative sources of funds.
<b>ST-5</b> Inadequate Grade	Commercial Banks rated in this category are considered to have inadequate capacity for timely repayment of obligations susceptible to adverse changes in business, economic, or financial conditions. Commercial Banks rated in this category are characterized with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds.
<b>ST-6</b> Lowest Grade	Commercial Banks rated in this category are considered to have obligations which have a high risk of default or which are currently in default. Commercial Banks rated in this category are characterized with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds.

The Rating Committee of CRAB is the final authority to award a rating. The Rating Committee of CRAB is comprised of external independence persons who are not members of the Board of the Company and they ensure the independence of rating.

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# SECTION (XXVIII)

<b>PUBLIC ISSUE APPLICATION PROCEDURE</b>
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## Public Issue Application Procedure

### Application Process

#### Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
  - c) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
  - d) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

#### Step-2 (Intermediary):

3. The registered Stock broker/Merchant Banker in the ESS shall:
  - c) Post the amount separately in the customer account equivalent to the application money;
  - d) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **6 (six) months** from listing of the securities with the exchange.
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDRom to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.
7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name and Joint Account information along with the verification report.

8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
9. **Within next working day**, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

**Step-3 (Issuer):**

10. The Issuer and issue manager shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges.
11. **Within 3 (three) working days** of receipt of the subscription result, the Issuer and Exchanges shall:
  - e) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
  - f) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
  - g) Issuer shall issue allotment letters in the names of allottees in electronic format and
  - h) Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

**Step-4 (Intermediary):**

12. **On the next working day**, Exchanges shall:
  - d) remit the amount of allotted applicants to the Issuer's respective Escrow Account opened for subscription purpose;
  - e) send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list; and
  - f) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
13. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

**Miscellaneous:**

14. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
15. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants.

16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.
17. The Exchanges shall provide the Issuer with a statement of the remittance.
18. The Issuer shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
19. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

**All eligible Stock Brokers and Merchant Bankers shall receive the IPO Subscription.**

The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers / Merchant Bankers will be remitted to the Company's Account no. 0067111003334 with The South Bangla Agriculture and Commerce Bank Limited, Corporate Branch, BSC Tower(2<sup>nd</sup>-3<sup>rd</sup> floor), 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Bangladesh for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts for the Company for IPO purpose as follows:

Sl.	Name of the A/C	Account No.	Type of A/c	Currency	Bank & Branch
1.	South Bangla	0002140000075	FC A/C	USD	South Bangla Agriculture and Commerce Bank Limited Principal Branch, Zaman Chamber 47, Dilkusha C/A, Dhaka-1000
2.	Agriculture and	0002141000028		EURO	
3.	Commerce Bank Limited	0002142000026		GBP	

### Application Form

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।"

#### APPLICATION FOR PUBLIC ISSUE

Date	:	
Name of applicant	:	
Client Code	:	
BO ID No.	:	
Category of applicant	:	
Name of the Company	:	
Number of Shares	:	
Total amount	:	
Amount in word	:	

\_\_\_\_\_  
Signature of  
Applicant(s)

\_\_\_\_\_  
Signature of  
Authorized Officer

## **SECTION XXIX**

<b>OTHERS</b>
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## OTHERS

### Additional Disclosures of the Management

#### Statement regarding Cost Audit

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by the Professional Accountant is not applicable for “South Bangla Agriculture & Commerce Bank Limited”.

Sd/-  
**(Shukla Das)**  
Chief Executive Officer  
ICB Capital Management Limited

Date: 07 January 2020.

#### Statement regarding Cost Audit

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by the Professional Accountant is not applicable for “South Bangla Agriculture & Commerce Bank Limited”.

Sd/-  
Md. Masoodur Rahman FCA  
Chief Financial Officer  
South Bangla Agriculture and Commerce Bank  
Limited

Sd/-  
Tariqul Islam Chowdhury  
Managing Director & CEO  
South Bangla Agriculture and Commerce  
Bank Limited

Date: 24-12-2020

### CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Directors of South Bangla Agriculture and Commerce Bank Ltd. and will continue to act as Directors of the Company.

Sd/- S. M. Amzad Hossain Chairman	Sd/- Talukder Abdul Khaleque Vice Chairman & Independent Director	Sd/- Begum Sufia Amjad Director
Sd/- Abu Zafar Mohammad Shofiuddin Director	Sd/- Abdul Kadir Molla Director	Sd/- Engr. Md. Moklesur Rahman Director
Sd/- Al-Haj Mizanur Rahman Director	Sd/- Captain M. Moazzam Hossain Director	Sd/- Hafizur Rahman Babu Director
Sd/- Tahmina Afroz Director	Sd/- Anwar Hussain Director	Sd/- Sk. Shyedujjaman, Director Nominated by : Moonstar Ceramic Industries Ltd.
Sd/- Mohammad Nawaz Director	Sd/- Mohammed Ayub Director	Sd/- Sakhawat Hussain, Director Nominated by : Haji Shakhawat Anwara Eye Hospital Ltd.
Sd/- Mst. Nasima Begum, Director Nominated by : Thermax Textile Mills Ltd.	Sd/- Dr. Syed Hafizur Rahman Independent Director	Sd/- Md. Sajidur Rahman Independent Director
Sd/- Md. Altaf Hossain Independent Director	Sd/- Tariqul Islam Chowdhury Managing Director & CEO	

### CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Directors of South Bangla Agriculture and Commerce Bank Ltd. and will continue to act as Directors of the Company.

Sd/-  
Mosleh Uddin Ahmed  
Managing Director & CEO  
**Date: 24 May 2021**

**DECLARATION REGARDING COMPLIANCE WITH ALL REQUIREMENTS OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015 IN PREPARING PROSPECTUS**

This is to certify that South Bangla Agriculture and Commerce Bank Limited has complied with all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and its subsequent amendments and provide proper information in preparing the Prospectus of South Bangla Agriculture and Commerce Bank Limited.

Sd/-  
**(Tariqul Islam Chowdhury)**  
 Managing Director & CEO  
 South Bangla Agriculture and Commerce Bank Limited

Date: December 24, 2020

**AUDITORS' CERTIFICATE REGARDING PAID UP CAPITAL OF  
 South Bangla Agriculture and Commerce Bank Limited**

We being the auditor of South Bangla Agriculture and Commerce Bank Limited (the "Bank") and after due verification of books and accounts of the Bank, do hereby certify that the paid up capital of the Bank is BDT 6,846,455,170 as on 30 September 2020 divided in to 684,645,517 shares of BDT 10 each. The summary of allotment of shares against paid up capital since incorporation to 30 September 2020 as prepared by management is as follows:

Particulars of Allotment	Date of Allotment	Number of Shares Issued			Face Value of shares (Tk.)	Amount of paid up Share Capital (BDT)
		Cash	Bonus	Other than cash		
First (Subscription to the Memorandum & Articles of Association at the time of Incorporation)	20.02.2013	408,960,000	-	-	10	4,089,600,000
Second	20.06.2016	-	24,537,600	-	10	245,376,000
Third	12.06.2017	-	65,024,640	-	10	650,246,400
Forth	26.08.2018	-	67,300,502	-	10	673,005,020
Fifth	18.06.2019	-	56,582,274	-	10	565,822,740
Sixth *	17.09.2020	-	62,240,501	-	10	622,405,010
<b>Total</b>		<b>408,960,000</b>	<b>275,685,517</b>	<b>-</b>		<b>6,846,455,170</b>

This is also certified that as per review of General ledger and management representation it appears that South Bangla Agriculture and Commerce Bank Limited kept the cash consideration money primarily as lien in different scheduled Bank of Bangladesh that has been transferred subsequently to the Bank's own account with Janata Bank Limited, Corporate Branch A/C No. 004001666 after due permission of Bangladesh Bank

\* The Bank is yet to complete the formalities with RJSC regarding raising of paid up capital for the sixth allotment.

Sd/-  
 Dhaka, 11 January 2021

Sd/-  
**Hoda Vasi Chowdhury & Co**  
**Chartered Accountants**

# SECTION XXX

<b>Additional Disclosure</b>
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**(a) Declaration by the issue manager regarding submission of all the documents as per Annexure A, B, C, D and G of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015 with the application:**

This is to hereby declared that the Issue Manager “ICB Capital Management Limited” has submitted all the documents as per Annexure A, B, C, D and G of the **Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015** with the initial public offer application of South Bangla Agriculture & Commerce Bank Limited.

Sd/-  
**(Shukla Das)**  
Chief Executive Officer  
ICB Capital Management Limited

Date: 23 March 2021

**(b) Declaration by the issuer regarding submission of all the documents as per Annexure A, B, C, D and G of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015 with the application:**

This is to hereby declared that the Issuer “South Bangla Agriculture and Commerce Bank Limited” has submitted all the documents as per Annexure A, B, C, D and G of the **Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015** with the initial public offer application of “South Bangla Agriculture & Commerce Bank Limited”.

Sd/-  
**(Tariqul Islam Chowdhury)**  
Managing Director & CEO  
South Bangla Agriculture and Commerce Bank Limited

Date: 23 March 2021

## **SECTION XXXI**

**Management Accounts (Un-Audited)  
For  
The year ended 31 December 2020**

**South Bangla Agriculture and Commerce Bank Limited**  
**Balance Sheet (Un-audited)**  
**As at 31 December 2020**

	Notes	2020 Taka	2019 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3	652,709,026	759,249,747
Balance with Bangladesh Bank and its agent bank( Including foreign currencies)	4	3,520,458,666	3,677,346,131
		<b>4,173,167,692</b>	<b>4,436,595,878</b>
<b>Balance with other banks and financial institutic</b>			
In Bangladesh	5	9,153,677,208	6,414,432,491
Outside Bangladesh		476,477,877	602,464,661
		<b>9,630,155,085</b>	<b>7,016,897,152</b>
<b>Money at call on short notice</b>	6	-	-
<b>Investments:</b>			
Government	7	12,976,733,866	15,034,413,947
Others		151,679	195,470
		<b>12,976,885,545</b>	<b>15,034,609,417</b>
<b>Loans and advances</b>			
Loans, cash credit, overdrafts etc.	8	56,256,303,274	54,658,125,375
Bills purchased and discounted		1,152,526,195	1,342,612,104
		<b>57,408,829,469</b>	<b>56,000,737,479</b>
Fixed assets including premises, furniture and fixtu	9	1,524,391,874	442,767,868
Other assets	10	2,690,016,741	1,632,397,650
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>88,403,446,406</b>	<b>84,564,005,444</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions	11	2,391,442,263	1,117,039,452
<b>Deposits and other accounts</b>			
Current accounts and other accounts	12	5,613,076,615	5,502,072,087
Special notice deposits		3,881,691,173	3,026,636,791
Bills payable		2,055,473,084	2,420,680,927
Savings bank deposits		5,569,059,301	4,329,308,387
Fixed deposits		40,922,208,483	45,341,898,712
Other deposits		13,409,952,674	10,919,565,884
		<b>71,451,461,330</b>	<b>71,540,162,788</b>
Subordinated bonds		-	-
Other liabilities	13	5,253,884,414	3,543,841,415
<b>TOTAL LIABILITIES</b>		<b>79,096,788,007</b>	<b>76,201,043,655</b>
<b>Capital/ Shareholders' equity</b>			
Paid up capital	14.3	6,846,455,170	6,224,050,160
Statutory reserve	15	1,753,397,543	1,479,777,861
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securit	16	19,337,962	27,595,805
Surplus in profit and loss account	17	687,467,724	631,537,963
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>9,306,658,399</b>	<b>8,362,961,789</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>88,403,446,406</b>	<b>84,564,005,444</b>

	Notes	2020 Taka	2019 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	18		
Acceptance and endorsements		1,586,301,381	2,861,743,344
Letters of guarantee		6,887,896,263	6,583,292,050
Irrevocable letters of credit		4,095,725,239	3,920,543,820
Bills for collection		1,590,161,406	1,969,822,283
Other contingent liabilities		-	-
<b>Total</b>		<b>14,160,084,289</b>	<b>15,335,401,497</b>
<b>Other commitments</b>			
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		-	-
Claims against the Bank not acknowledged as debt			-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>14,160,084,289</b>	<b>15,335,401,497</b>
<b>Net asset value per share (NAV)</b>	40	<b>13.59</b>	<b>12.22</b>

Accompanying notes form an integral part of these financial statements.

Sd/  
\_\_\_\_\_  
Head of FAD / CFO

Sd/-  
\_\_\_\_\_  
Managing Director & CEO



**South Bangla Agriculture and Commerce Bank Limited**  
**Cash Flow Statement (Un-audited)**  
**For the year ended 31 December 2020**

	Notes	2020 Taka	2019 Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		5,364,431,218	7,352,758,682
Interest payments		(5,111,051,447)	(4,707,625,244)
Dividend receipts		-	-
Income from investments		1,170,366,917	703,934,378
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		288,524,252	338,768,395
Cash payments to employees		(1,159,003,589)	(1,125,539,997)
Cash payments to suppliers		(233,270,128)	(436,388,449)
Income taxes paid	10.2	(642,131,856)	(924,927,255)
Receipts from other operating activities		121,950,575	120,802,400
Payments for other operating activities		(203,660,987)	(153,334,817)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>(403,845,045)</b>	<b>1,168,448,093</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Sale of trading securities		127,047	938,573
Purchase of trading securities		-	(495,590)
Loans and advances to other banks		-	80,000,000
Loans and advances to customers		(1,166,827,884)	(5,496,332,979)
Increase / decrease of other assets	37	45,252,951	(57,266,644)
Deposits from other banks		283,984,174	1,114,371,787
Deposits from customers		(12,323,443)	10,981,764,764
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38	963,085,678	5,238,240
		<b>113,298,523</b>	<b>6,628,218,151</b>
<b>Net cash from operating activities</b>		<b>(290,546,522)</b>	<b>7,796,666,244</b>
<b>B) Cash flows from investing activities</b>			
Proceeds from sale of Government securities		28,634,459,146	10,595,811,280
Payments for Purchase of Government securities		(26,037,774,281)	(18,463,921,992)
Purchase of property, plant and equipment		(1,392,501,060)	(111,401,288)
Sale proceeds of property, plant and equipment		2,920,988	-
<b>Net cash from investing activities</b>		<b>1,207,104,793</b>	<b>(7,979,512,000)</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		1,274,402,811	315,885,069
Dividends paid		-	-
Receipts from issue of ordinary share		-	-
<b>Net cash from financing activities</b>		<b>1,274,402,811</b>	<b>315,885,069</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>2,190,961,082</b>	<b>133,039,313</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>139,530,703</b>	<b>165,624,133</b>
<b>F) Cash and cash-equivalents at beginning period</b>		<b>11,453,493,030</b>	<b>11,127,233,779</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>13,783,984,815</b>	<b>11,425,897,225</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	652,709,026	759,249,747
Balances with Bangladesh Bank and its agent bank(s) including foreign currencies	4	3,520,458,666	3,677,346,131
Balances with other Banks and Financial institutions	5	9,630,155,085	7,016,897,152
		<b>13,803,322,777</b>	<b>11,453,493,030</b>

Accompanying notes form an integral part of these financial statements.

Sd/-  
Head of FAD / CFO

Sd/-  
Managing Director & CEO

**South Bangla Agriculture and Commerce Bank Limited**  
**Statement of Changes in Equity (Un-audited)**  
**For the year ended 31 December 2020**

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2020	6,224,050,160	1,479,777,861	27,595,805	631,537,963	8,362,961,789
Prior period adjustment	-	-	-	-	-
Net profit for the period	-	-	-	951,954,453	951,954,453
Transfer to statutory reserve	-	273,619,682	-	(273,619,682)	-
Revaluation of Govt. treasury bills, bonds and other	-	-	(8,257,843)	-	(8,257,843)
Stock dividend issued	622,405,010	-	-	(622,405,010)	-
<b>Balance as on 31 December 2020</b>	<b>6,846,455,170</b>	<b>1,753,397,543</b>	<b>19,337,962</b>	<b>687,467,724</b>	<b>9,306,658,399</b>
<b>Balance as on 31 December 2019</b>	<b>6,224,050,160</b>	<b>1,479,777,861</b>	<b>27,595,805</b>	<b>631,537,963</b>	<b>8,362,961,789</b>

These financial statements should be read in conjunction with the annexed notes.

Sd/-  
 \_\_\_\_\_  
 Head of FAD / CFO

Sd/-  
 \_\_\_\_\_  
 Managing Director & CEO

**South Bangla Agriculture and Commerce Bank Limited**  
**Liquidity Statement (asset and liabilities maturity analysis) (Un-audited)**  
**As at 31 December 2020**

Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
<b>Assets:</b>						
Cash in hand (including foreign currencies)	652,709,026	-	-	-	-	652,709,026
Balance with Bangladesh Bank and its agent Banks	831,069,666	-	-	-	2,689,389,000	3,520,458,666
Balance with other banks & financial institutions	4,620,155,085	1,850,000,000	3,160,000,000	-	-	9,630,155,085
Money at call on short notice	-	-	-	-	-	-
Investments	454,719,491	1,898,641,900	316,800,166	691,367,428	9,615,356,560	12,976,885,545
Loans and advances	10,117,284,225	13,970,807,866	21,208,450,111	9,850,078,160	2,262,209,107	57,408,829,469
Fixed assets including premises, furniture and fixtures	20,927,220	41,854,440	188,344,981	1,273,265,233	-	1,524,391,874
Other assets	403,447,999	672,413,331	941,742,080	672,413,331	-	2,690,016,741
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>17,100,312,712</b>	<b>18,433,717,537</b>	<b>25,815,337,337</b>	<b>12,487,124,152</b>	<b>14,566,954,667</b>	<b>88,403,446,406</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	513,608,250	699,478,573	1,011,688,501	69,342,960	97,323,979	2,391,442,263
Deposits and other accounts	14,904,486,420	14,591,093,412	21,542,295,131	9,624,575,933	10,789,010,434	71,451,461,330
Provisions and other liabilities	33,188,954	616,467,307	1,241,771,999	1,115,695,537	2,246,760,618	5,253,884,414
<b>Total Liabilities</b>	<b>15,451,283,624</b>	<b>15,907,039,292</b>	<b>23,795,755,631</b>	<b>10,809,614,430</b>	<b>13,133,095,031</b>	<b>79,096,788,007</b>
<b>Net liquidity surplus</b>	<b>1,649,029,088</b>	<b>2,526,678,245</b>	<b>2,019,581,707</b>	<b>1,677,509,723</b>	<b>1,433,859,636</b>	<b>9,306,658,399</b>
<b>Cumulative liquidity surplus</b>	<b>1,649,029,088</b>	<b>4,175,707,333</b>	<b>6,195,289,040</b>	<b>7,872,798,763</b>	<b>9,306,658,399</b>	

Net result of liquidity statement represents the shareholders' equity.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Director

Sd/-  
Managing Director & CEO  
(Acting)