



DHAKA MONDAY JUNE 7, 2021, JAISHTHA 24, 1428 BS starbusiness@thedailystar.net

# 11 banks face huge capital shortfall

AKM ZAMIR UDDIN

Eleven banks faced a capital shortfall of Tk 24,783 crore in the first quarter of 2021, which highlighted the fragile health of the lenders.

The banks are Bangladesh Krishi Bank, Sonali, Agrani, ICB Islamic, Rajshahi Krishi Unnayan, BASIC, Bangladesh Commerce, Rupali, Janata, Padma, and AB

Corruptions perpetrated at the banks are mainly responsible for the large capital shortfall.

Bangladesh Krishi Bank had the highest capital shortfall of Tk 11,229 crore as of March, up 4 per cent from three months ago, data from the Bangladesh Bank

Sonali's capital shortfall widened to Tk 3,697 crore from Tk 3,063 crore during the period.

"The central bank should take immediate measures to address

NEW

**SHORTFALL OF** the problem as such a situation will put foreign investors at bay,"

sends a negative message to the international community and local businesspeople that the banking sector is weakening," said an official of the central bank.

Foreign businesses usually look at the capital base and nonperforming loans of banks before making any investment decisions,

"This type of capital shortfall



**BCBL** AB Agrani Tk 24,783cr 2,922 1,051 102 As of March ICB Islamic Rupali 762 1,631

BKB

11,229

Sonali

3,697

the central banker said. However, the banking sector had a surplus capital of Tk 16,562 crore in March, up from Tk 15,930

crore three months ago. Between January and March, the capital position at Janata Bank improved significantly because of a regulatory forbearance extended by the central bank. The regulator's move would help the state-run bank keep the provision

loans in phases. A regulatory forbearance is a policy that permits financial institutions to continue operating even when their capital is fully

against unclassified and defaulted

Despite getting forbearance, Janata's capital shortfall stood at Tk 417 crore in March in contrast to Tk 5,475 crore three months ago.

**RAKUB** 

1,518

**BASIC** 

1,072

Janata

**Padma** 

417

Janata Bank Managing Director Md Abdus Salam Azad said the bank now enjoyed a capital surplus of Tk 6,017 crore as it managed another regulatory forbearance last month.

The central bank allowed the bank to keep the required capital in phases in the next four years.

This has helped us make a net profit of Tk 14.45 crore last year," Azad said. The capital shortfall of BASIC Bank stood at Tk 1,072 crore in March, down 28.15 per cent a quarter ago.

Md Anisur Rahman, managing director of BASIC Bank, said the bank had been faced net losses in recent years that were responsible for the capital shortfall.

"We are trying to recover defaulted loans, and this will help us narrow the shortfall.'

In addition, the bank is seeking deposits from various government agencies at a lower interest rate.

As much as 90 per cent of the defaulted loans, which were disbursed between 2009 and 2013, are uncollectible, said an official of the bank.

At least Tk 4,500 crore was swindled out of the bank, and a number of senior officials and board members, including then BASIC Bank Chairman Sheikh Abdul Hye Bacchu were allegedly involved.

Between 2009 and 2013, the bank also mobilised long-term deposits at a higher interest rate. The deposits have now become a burden for the bank and are one of the main reasons for the capital shortfall.

If BASIC Bank can get the low-cost deposits from the government agencies, it will help the lender manage the balance sheet smoothly and make a profit, the official said.

In March, the average capital adequacy ratio, a measurement of a bank's available capital expressed as a percentage of riskweighted credit exposures, stood at 11.67 per cent in the banking sector, down from 11.64 per cent three months earlier.

This means the overall capital base strengthened in the first quarter of 2021.

## Fiscal measures hardly linked to job creation

Citizen's Platform for SDGs says



STAR BUSINESS REPORT

The proposed budget has failed to offer fiscal measures to create jobs crucial to millions of the people in the informal sector who slipped to poverty because of the coronavirus pandemic, said experts yesterday.

"Fiscal incentives proposed in the budget are not sufficiently linked to employment generation, particularly for the traditionally left-behind groups," said Debapriya Bhattacharya, convener of the Citizen's Platform for SDGs,

The government has provided tax holidays and incentives to many sectors in the budget for the next fiscal year. "But, there is no mention of how many wage employments these measures will create," he said.

The economist spoke while presenting a paper styled "National Budget 2021-22: What is there for the disadvantaged people" at a virtual media briefing organised by the platform, which comprises more than 100 non-state actors and their networks and associates.

Bhattacharya said the finance minister's budget speech focused on traditional skills development to increase the employability of the youth and encourage self-employment and overseas jobs.

"But there is no structured outline of how these jobs will be generated.'

# Disburse SME stimulus fast: experts



STAR BUSINESS REPORT

The government should ensure that stimulus funds for the cottage, micro, small and medium enterprises (CMSMEs) are quickly disbursed in order to facilitate sustainable recovery from the Covid-19 fallouts, according to speakers at a webinar yesterday.

The event, styled "Impact of Covid-19 on CMSMEs and Understanding their Recovery: Evidence from BSCIC Industrial Estates", was jointly organised by Economic Reporters' Forum (ERF) and PRISM Programme.

While speaking as chief guest, Industries Minister Nurul Majid Mahmud Humayun said the CMSMEs were the worst affected by the pandemic even though the government had announced a Tk 20,000 crore stimulus package for the sector. Another Tk 1,500 crore stimulus

package was announced for entrepreneurs in rural areas. Of this amount, Tk 300 crore was allocated for SME Foundation, which disbursed Tk 100 crore from the fund in the outgoing fiscal year, he added.

Abul Kashem Khan, chairperson of Business Initiative Leading Development



businesses were the worst affected by the pandemic.

(BUILD), stressed on the need to address the barriers that prevent the CMSMEs from availing stimulus funds.

"Apart from the banking sector, an alternative mechanism should be developed for the distribution of these funds," he said, adding that formulating a database on the CMSMEs would help ensure better policy design

Ahsan Khan Chowdhury, chairman and chief executive officer of Pran-RFL Group, said if micro and small entrepreneurs were protected from the Covid-19 fallouts through financing, they could facilitate the

country's full economic recovery. The Bangladesh Small and Cottage Industries Corporation could create links

between large and small-scale industries in order to help ensure their survival, he added.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, proposed the withdrawal of advance income tax as well as the tax levied on online sales in order to spur the growth of e-commerce and digitalisation of the CMSMEs.

In his presentation, Dr Monzur Hossain, research director of the Bangladesh Institute of Development, showed that 96 per cent of the country's businesses had been adversely affected by the nationwide lockdowns aimed at curbing the spread of

However, the CMSME sector recovered up to 80 per cent of the pre-pandemic production levels by December 2020, he said. Golam Yahia, additional secretary to the industries ministry, said the CMSMEs were playing a big role towards the country's industrialisation and that Bangladesh could become a developed nation by 2041 by successfully implementing the SME policy.

The event, chaired by ERF President

Sharmeen Rinvy, was also attended by Rensje Teerink, the European Union ambassador and head of delegation to Bangladesh, and Md Mostaque Hassan, chairman of the BSCIC.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, and a senior short-term consultant of the PRISM project, presented a keynote

## **OBSERVATIONS**

- >> Fiscal incentives not sufficiently linked to job creation
- >> New poor ignored
- >> No measures for informal sector
- >> No step to reduce basic problems in health sector
- >> No guidance on education sector
- >> 60pc students lack access to online education
- >> Cash transfer should target new poor

The budget speech claimed that one million jobs had been created in the information technology sector for the youth, and another one million were to be employed in 2021, he said.

"No source was cited, and no timeframe was mentioned," Bhattacharya said.

There should be actions to identify how fiscal measures are to be linked to job retention and generation and the possible composition of the future additional employment.

"But, there has been no Labour Force Survey since 2016-17. How will the employment situation be monitored? This is a kind of information anarchy," he said.

According to the economist, the budget proposal ignored the new poor created by the pandemic-induced economic slump and offered no measures for the informal sector, the prime victim of lockdowns. "There is nothing for the new poor in the budget," he said.

More than one year has passed since the pandemic, but the government said it had no official estimate on the number of people who fell below the poverty line.

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## to remain 10am to 3pm till June 16

STAR BUSINESS REPORT

Bangladesh Bank has instructed banks to keep their doors open for customers from 10:00am to 3:00pm until June 16. The banking regulator

took the decision yesterday as the government has extended the ongoing nationwide restrictions on public movement to curb the spread of Covid-19.

The bank branches will remain open until 4:30 pm to complete their regular procedures, according to a central bank notice.

Banks have been following the rostering system for their employees since April 14 as instructed by the government.

The government enforced lockdown-like measures on April 5 after the Covid-19 infection rate began an alarming rise.

As the situation worsened, it went for a strict countrywide lockdown from April 14.

## Banking hours | REHAB demands low-cost fund

The Real Estate and Housing Association of Bangladesh (REHAB) has demanded the provision of a long-term low interest fund in the proposed national budget for fiscal 2021-22 so that the country's people can purchase their own homes on instalments equivalent to rent.

In a statement to the media issued yesterday, the trade body said there is scope to reduce registration costs in the local housing sector further when compared to other

So, REHAB hopes that the government will implement this and other demands in the future, it added.

REHAB believes that Bangladesh will go a long way towards achieving its goals by implementing a wellthought-out budget amid the ongoing Covid-19 pandemic.



The association of real estate developers also welcomed the move to waive special tax and duty on various construction materials, such as rods, cement, and tiles, in the proposed budget.

At the same time, if the government continues to allow the use of undisclosed income for the purchase of flats and apartments, it will play a fruitful role in the sector and help increase internal resources, it said.

According to government estimates, more than Tk 14,000 crore in undisclosed income has been legalised so far this fiscal year, from which the government has received about Tk 1,500 crore in revenue.

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# Withdraw VAT, import duty on manmade fibre: BTMA



**BTMA President Mohammad Ali Khokon** 

STAR BUSINESS REPORT

Textile millers yesterday demanded the withdrawal of value-added tax (VAT) and import duty on all kinds of manmade fibre for the potential growth of the non-cotton fashion industry to meet the global demand.

In the proposed budget, the government did not address this issue even though the entrepreneurs of the country's primary textile sector had been demanding this beforehand, the textile millers said at a post-budget press conference at the office of Bangladesh Textile Mills Association (BTMA).





Of the total garment exports from Bangladesh in a year, 74 per cent are made from cotton fibre while the rest from manmade fibre.

The government should consider the request in a year, 74 per cent is made from cotton fibre as the demand for manmade fibre garments is higher than the cotton-made fibre globally. For instance, manmade fibre occupies 78 per

cent of the global fashion industry and the rest 22 per cent by cotton fibre. But in Bangladesh, the scenario is reversed.

Of the total garment export from Bangladesh

while 26 per cent from man-made fibre, they "If we want to grab more of the global market share, we will have to choose the manmade fibre

as the demand is rising for those garment items, said BTMA President Mohammad Ali Khokon.

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PHOTO: STAR/FILE



Sirajdikhan in Munshiganj and Fakirhat (Raozan) in Chattogram yesterday. Golam Awlia, managing director and chief executive officer, and Harunur Rashid, deputy managing director and chief financial officer, also joined the ceremony through video conference.



Nizam Uddin Ahmed, chairman of Meghna Life Insurance Company, cuts a cake to mark its silver jubilee celebrations at its head office recently. Chief Executive Officer NC Rudra was also present.

Iftekharul Islam

## **Uttara Bank** gets new vice chairman

STAR BUSINESS DESK

Uttara Bank recently witnessed the appointment of a new vice chairman of its Board of Directors.

The appointee, Iftekharul Islam, will also serve as vice chairman of the executive committee and chairman of the risk management committee, said a press release.

Islam has been serving as managing director of Aftab Group and chairman of Uttara Bank Securities and UB Capital and Investment, both subsidiaries of Uttara Bank.

He is also a member of the Executive Committee and General Body of the Bangladesh Association of

## Yellen urges G7 to keep up fiscal support

US Treasury Secretary Janet Yellen urged other rich nations on Saturday to keep up spending to support their economies even as the Covid-19 pandemic wanes, and said US inflation this year would be elevated but transitory.

Yellen told a news conference after G7 finance ministers met in London that they needed to invest in a fight against climate change and inequality, even after putting their economies "back on track" from the enormous hit of the pandemic.

Her comments placed a different emphasis on fiscal support than the joint statement by the G7 finance ministers, which also stressed the need to ensure long-term sustainability of public finances once the recovery takes

'Most countries have fiscal space, and have the ability to put in place, fiscal policies that will continue promoting recovery and deal with some of the long run challenges that all of us face when it comes to climate change and inclusive and sustainable growth, and we urge countries to do that," she said.



SOUTH BANGLA AGRICULTURE AND COMMERCE BANK

South Bangla Agriculture and Commerce Bank Deputy Managing Director Md Kamal Uddin presided over the bank's business meeting with its Dhaka regional branch managers at its head office recently. Mosleh Uddin Ahmed, managing director and chief executive officer of the bank, was also present.

# Fiscal measures hardly linked to job creation

FROM PAGE B1

There should have been a multiyear rational, coherent and inclusive budget to achieve faster and inclusive recovery, he said.

"But they did not do it. It is the shallowness of their thinking, the tendency of avoiding risks and attitude of denial."

The second wave was not considered in the preparation of the budgetary numbers. So, all projections for the next fiscal year were on the higher side, he added.

Mustafizur Rahman, a member of the core group of the platform, said many people fell into poverty in urban and peri-urban areas. Many shifted from the services sector to agriculture, and their income declined and they became

"If we can transfer cash to them, it will create demand in the SME sector and generate jobs. The cash transfer should be repeated."

Sultana Kamal, also a core group member, said there was a lack of transparency in the proposed budget.

"If we always show the glamour and deny the weakness, it is not a good sign.

Mushtaque Raza Chowdhury, the vice-chairperson of Brac, thanked

the finance minister for value- 13 lakh teachers. added tax exemption on sanitary napkin production, duty waiver on raw materials for cancer drugs and on latrine pan used in villages, and the VAT exemption for autism-

"But it is hard to find in the budget proposal anything that is aimed at reducing the basic problems in the health sector."

The policymakers seemed to have failed to understand that the pandemic comes with waves after waves, he said.

"There was nothing in the finance minister's speech on how the country will counter the second wave and other future waves."

Rasheda K Choudhury, another member of the core group of the platform, said they had not expected any surprises from the finance minister for the development of the education sector in the budget.

"We had just wanted guidance, investment and measures to overcome the crisis in the education sector. But nothing was found in his speech.'

"Because of Covid-19, which forced the closure of educational institutions, a generation is being destroyed. There is nothing in the budget for four crore students and

Inequality is being created in the education sector, according to the former caretaker government

"The children of the rich families can access education with digital devices whereas the children of poor people cannot."

About 60 per cent of students lacked access to online education, but no steps were taken to overcome it, said Shaheen Anam, executive director of Manusher Jonno Foundation.

terrible scenario in the education sector in the future. Child marriage has increased significantly due to the closure of

education sector will create a

"The current condition of the

schools and colleges, she said. "We are not focusing on the mental state of the kids confined to

The budget allocated Tk 2,023 crore to 17 lakh disabled people,

"But if we count it in the most conservative way, there are 1.5 crore disabled people in the country. What will happen to them?"

Asif Ibrahim, chairman of Chittagong Stock Exchange, also

## Bureaucrats not smart enough to execute budget on time

fuel the economy and create employment, he said, adding that the tax cuts indicate that the budget is business friendly.

"The budget will spur the growth of startups and e-commerce," Rahman said while presenting a keynote paper.

Both Mannan and Ahsan H Mansur, executive director of the Policy Research Institute (PRI) echoed Rahman's views "We need to complete the vaccination

of our people by June next year. But the finance minister did not say anything clearly about such a pace of vaccination in his budget proposal," Mansur said. He also questioned the rationale behind

keeping the primary, high and girls' schools shut in villages where there were no cases of Covid-19 infections.

A good number of students will drop out from schools due to the long shutdown of educational institutions, he said. The 2 per cent allocation for education

is not adequate and it should be at least 4 per cent of the GDP to ensure quality education in the country. For job creation, the allocation for

the cottage, micro, small and medium enterprises (CMSMEs) needs to be increased, the former economist of International Monetary Fund added.

He suggested providing the CMSMEs a grant as their financial strength was poor. The revenue target proposed for the next fiscal year might not be achieved because

of the current business trend, Mansur said. While moderating the discussion, AmCham President Syed Ershad Ahmed

said by now, a few thousand people had Higher allocations in the mega projects will lost their jobs and it seems that there were chances that more people would become jobless and lose their incomes within the next few months. Moreover, thousands of fresh university graduates are waiting to enter the job market.

The pandemic is still far from over and so, we can't find any reason to ignore it," Ahmed said.

The proposed budget comes at a time when all educational institutions had remained shut for nearly one and a half years, he pointed out.

There is a concern over the digital divide depriving a large number of children of education, which has been leading to child marriage, school dropouts and child labour, the AmCham chief said.

"But the budget does not mention any measure to recover the learning loss and bring back students to schools, colleges and universities. Already a big gap between poor and rich people exists and it could widen further. We apprehend that this may result in an unbalanced society," he added.

Aftab ul Islam, a Bangladesh Bank director, said now was the time for the central bank to give an expansionary monetary policy for the country with a view to help the economy recover from the Covid-19 fallout.

Naser Ezaz Bijoy, CEO of Standard Chartered Bank Bangladesh, said the stimulus would work for the economy.

Black money will create problems for a compliant financial system. Overall budget has been accepted but there is room for further review, he added.

ONE Bank

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## Finance Bill 2021: a few welcoming moves

These cuts come at a time when Bangladesh is experiencing price stability, moderate levels of exports, high inward remittance, record-high foreign reserves, and stable exchange rates. Therefore, these corporate tax rate cuts and exemptions are well-timed and are expected to further boost the economy during a period when the Covid-19 pandemic had slowed it down compared to the pre-

pandemic days when the economy was moving ahead. A significant point to note regarding the current budget is that it also seems socially progressive and inclusive. There is also a special tax exemption, which will be available for SMEs owned by women entrepreneurs with the primary goal of encouraging and motivating more females to become involved in business ventures.

Additionally, the enactment of special tax incentives has also been proposed in the budget to increase work opportunities for transgender employees.

The new budget proposes to put forth the necessary provision in the country's tax ordinance whereby there would be a rebate of 75 per cent of the total salary paid to employees from the third gender or 5 per cent of tax payable, whichever is lower.

Such a rebate would be available to employers who employ at least 10 per cent of their total workforce or have higher than 100 workers from the third gender. However, it remains to be seen what would happen with respect to the companies whose tax liability is dominated by advance income tax. Such inclusionary fiscal policies will certainly put Bangladesh on a praiseworthy list of progressive nations.

Prima facie, while the budget seems to be focusing on supplying more liquidity to the market through lower tax on the businessmen and entrepreneurs, a further upward adjustment on the minimum taxable income for individuals would have helped this vision a lot.

The author is a partner at PwC Bangladesh. Views are personal.

## REHAB demands low-cost fund

This has played an effective role in reviving the economy amid the current crisis.

"So, we firmly believe that if this policy continues, more money will be added to the mainstream economy, which will help increase revenues," REHAB said in its statement. Besides, the proposed budget has reduced corporate and annual turnover tax rates, which is very positive, it added.

"We have been working relentlessly as a development partner of the government for a long time. In all, about 50 lakh manpower is involved in the entire construction sector while the backward linkage industries have kept our economy afloat," it said.

According to the association, about Tk 100,000 crore is directly and indirectly deposited in the government treasury from the real estate sector every year by combining different sectors and sub-sectors.

Therefore, special importance should be given to this

## Withdraw VAT, import duty on manmade fibre: BTMA

The BTMA chief welcomed the proposed budget, but he wants some facilities for the textile sector for attracting further investment and for generating more employment. Khokon also demanded that the government fix Tk 3 as

VAT on sales per kilogramme (kg) of all kinds of yarn in

Currently, the National Board of Revenue collects Tk 3 as VAT on the sales of per kg of yarn made from cotton and

Tk 6 per kg on the sales of yarn made from manmade fibre. So the VAT rate should be uniform for all kinds of yarn sale, he said.







## প্রেস ইনস্টিটিউট বাংলাদেশ (পিআইবি) স্থানীয় সরকারবিষয়ক পিআইবি-ইএএলজি মিডিয়া ফেলোশিপ

স্থানীয় সরকার বিভাগ ও ইউএনভিপি কর্তক বাস্তবায়িত কার্যকর ও জবাবদিহিমলক স্থানীয় সরকার (ইএএলজি) প্রকল্প সহায়তাপ্রাপ্ত ইউনিয়ন পরিষদ ও উপজেলা পরিষদগুলোর বিভিন্ন কার্যক্রম, সফলতা, শিক্ষণ ও উত্তমচর্চাগুলো সংগ্রহ ও প্রচারের লক্ষ্যে জাতীয় পর্যায়ে কর্মরত সাংবাদিকদের জন্য পাঁচ (০৫) মাস মেয়াদি 'Media Fellowship on Local Governance' ফেলোশিপ প্রদান করবে। প্রেস ইনস্টিটিউট বাংলাদেশ (পিআইবি) এবং ইএএলজি প্রকল্পের পার্টনারশিপের মাধ্যমে এই মিডিয়া ফেলোশিপ প্রোগ্রামটি বাস্তবায়িত হবে। আগ্রহী সাংবাদিকদের আগামী ১ - ১৭ জুন ২০২১ এর মধ্যে পিআইবি'র নিমুলিখিত ঠিকানায় আবেদন করার জন্য অনুরোধ করা যাচ্ছে।

ফেলোশিপে অংশ নেওয়ার জন্য সাংবাদিকদের স্লাতক পাস এবং কমপক্ষে পাঁচ বছরের অভিজ্ঞতাসম্পন্ন হতে হবে। স্থানীয় সরকার বিষয়ে কাজ করার অভিজ্ঞতা আছে যাদের, সেসব সাংবাদিককে অগ্রাধিকার দেওয়া হবে।

ক্যাটাগরি-১

ইউনিয়ন পরিষদের ওয়ার্ভ সভার কার্যকারিতা

ইউনিয়ন পরিষদের স্ট্যাভিং কমিটির কার্যকারিতা

ইউনিয়ন পরিষদের ম্যান্ডেটে প্রদর পরিষেবাগুলো

ইউনিয়ন পরিষদের উন্যক্ত বাজেট অধিবেশনের কার্যকারিতা

নির্দিষ্ট ইউনিয়ন পরিষদের ভালো কাজের/উত্তমচর্চার নমুনা

ইউনিয়ন পরিষদের জেভার-সংবেদনশীল পরিকল্পনা ও বাজেট

ইউনিয়ন পরিষদের রিসোর্স কাজে লাগানোর উপায় ও কৌশল

আগ্রহী সাংবাদিকদের এক কপি সিভি, শিক্ষাগত যোগ্যতার সত্যায়িত কপি, দুই কপি পাসপোর্ট সাইজের ছবি, জাতীয় পরিচয়পত্রের সত্যায়িত কপি, এক কপি ভিজিটিং কার্ড, সর্বশেষ কর্মরত প্রতিষ্ঠানের অনাপত্তি সনদ (এনওসি)-সহ আবেদনপত্র পিআইবি তৈ সরাসরি এবং পিআইবি ই-মেইল (dgpib@yahoo.com)-এ পাঠাতে হবে। আবেদনকারী সাংবাদিক নিম্নোল্লিখিত বিষয়গুলোর মধ্য থেকে যে কোনো পাঁচটি (০৫) বিষয়ের ওপর সংবাদ/ফিচার/ স্টোরি প্রকাশ করবেন, তা উল্লেখ করে ধারণাপত্র প্রদান করতে হবে। আবেদনকারীকে নিম্নে উল্লিখিত প্রতিটি (৩টি) ক্যাটাগরি থেকেই বিষয় নির্বাচন করতে হবে।

## রিপোর্টের বিষয়

ক্যাটাগরি-২

ক্যাটাগরি-৩

 উপজেলা পরিষদের কমিটিসমূহের কার্যকারিতা ছানীয় নারীর ক্ষমতায়নের প্র্যাটফরম হিসাবে নারী উন্নয়ন ফোরাম

 নির্দিষ্ট উপজেলা পরিষদের ভালো কাজের/উন্তমচর্চার নমনা উপজেলা পরিষদের বচ্ছতা, জবাবদিহিতা ও সুশাসন

 উপজেলা পরিষদের উন্মৃক্ত বাজেট ও উন্মৃক্ত পরিকল্পনার সেশ-উপজেলা পরিষদের মহিলা ভাইস চেয়ারম্যানদের চ্যালেঞ্চ ও সম্ভাবনা

 উপজেলা পরিষদের জেভার-সংবেদনশীল পরিকল্পনা ও বাজেট উপজেলা পরিষদের ম্যান্ডেটে প্রদন্ত পরিষেবাগুলে

ইউনিয়ন ও উপজেলা পরিষদের নির্বাচিত সদস্যদের প্রযুক্তিগত

গণতনানির সক্রিয়করণ ও কার্যকারিতা

ইউনিয়ন ও উপজেলা পরিষদের পরিকল্পনা প্রক্রিয়া

আবেদনকারীদের আবেদনের পরিপ্রেক্ষিতে জুরি বোর্ড যোগ্য প্রার্থী বাছাই করবে। চূড়ান্তভাবে বাছাইকৃতদের কর্মশালার মাধ্যমে কার্যকর ও জবাবদিহিমূলক স্থানীয় সরকার প্রকল্প রিপোর্ট/ফিচার সম্পর্কে ধারণা দেওয়া হবে। নির্বাচিত ফেলোগণ স্থানীয় সরকারের কার্যক্রম সম্পর্কে ফিচার বা ফিচারধর্মী প্রতিবেদন তৈরি করবেন।

মাঠ পরিদর্শন ও তথ্য সংগ্রহকালীন দৈনিক ভাতা এবং পরিবহণ খরচ সর্বোচ্চ ৩০,০০০,০০ (ত্রিশ হাজার টাকা – প্রতিজন) বিলের কপি প্রদান সাপেক্ষে

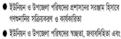
আবেদনের সময়সীমা : ১ - ১৭ জুন ২০২১ (অফিস সময়ের মধ্যে)

তালিকা প্রকাশ: ২৮ জুন ২০২১ কৰ্মশালা : ৫-৬ জুলাই ২০২১

ফিচার প্রকাশের সময়সীমা : ২৫ জুলাই -৩০ নভেম্বর, ২০২১

৩, সার্কিট হাউস রোড, ঢাকা-১০০০

প্রয়োজনে যোগাযোগ: ০১৭১৭ ২৩২০১৬, ০১৯৮৪ ৩০২৬৮৯



🏄 ফেলোশিপ সংখ্যা ৮টি (২ জন বাংলা সংবাদপত্রের, ২ জন ইংরেজি সংবাদপত্রের, ৩ জন টেলিভিশন এবং ১ জন অনলাইন সাংবাদিক।)

অর্থিক সম্মাননা ৫০,০০০.০০ (পঞ্চাশ হাজার) টাকা (প্রতিটি বা প্রতিজন)

জুরি বোর্ড কর্তৃক বাছাই : ২৩ জুন ২০২১

আবেদনের ঠিকানা মহাপরিচালক প্রেস ইনস্টিটিউট বাংলাদেশ (পিআইবি)

ই-মেইল: dgpib@yahoo.com

GD-1138



greement Signing

for Online Gas Bills Collection



### **ABRIDGED VERSION OF PROSPECTUS**

# South Bangla Agriculture & Commerce Bank Limited

Registered Office: BSC Tower (5th-16th Floor), 2-3, Rajuk Avenue, Motijheel, Dhaka-1000. Phone: (02) 9577207-11, EXT-205, Email: cs@sbacbank.com, Website: www.sbacbank.com

PUBLIC OFFER OF 100,000,000 ORDINARY SHARES OF TK. 10.00 EACH AT PAR TOTALING TK. 1,000,000,000.00

Opening date of subscription: July 05, 2021

Closing date of subscription: July 11, 2021



Net profit after taxation

### **ISSUE MANAGER**

ICB CAPITAL MANAGEMENT LIMITED Green City Edge (5th & 6th Floor), 89, Kakrail, Dhaka-1000

Phone: +88-02-8300555, Fax: +88-02-8300396 E-mail: icmlbd@gmail.com, Website: www.icml.com.bd

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

Amount, type and offering pric securities being issued;	e of the securities on a per unit and aggregate basis of
Size of the Issue	Tk. 1,000,000,000
Offer Price	Tk. 10 Each
Number of share to be issued	100,000,000 Ordinary Shares
Opening a	nd closing date of subscription;

opening bate of subscription	541, 05, 2021
Closing Date of Subscription	July 11, 2021
Avai	ilability of full prospectus;
The second of Court Boards And and	b

The prospectus of South Bangla Agricu at the following addresses:	lture & Commerce Bank Lim	nited is available in hard and soft forms	
Issuer	Contact person	Telephone, Fax Number, email & web address	
South Bangla Agriculture & Commerce Bank Ltd. BSC Tower (5 <sup>th</sup> -16 <sup>th</sup> Floor) 2-3, Rajuk Avenue, Motijheel, Dhaka-1000.	Md. Mokaddess Ali ACS SVP & Company Secretary	Phone: (02) 9577207-11, EXT-205 Fax: +88(02) 9577212 Email: cs@sbacbank.com Website: www.sbacbank.com	
Issue Manager	Contact person	Telephone, Fax Number, email & web address	
ICB Capital Management Limited Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89 Kakrail, Dhaka-1000.	Shukla Das Chief Executive Officer	Tel: +88-02-8300555 Fax: +88-02-8300396 E-mail: icmlbd@gmail.com Website: www.icml.com.bd	
Stock Exchanges	Available at	Telephone, Fax Number, email & web address	
Dhaka Stock Exchange Ltd. (DSE) DSE Library, Research and Information Department 9/F, Motijheel C/A, Dhaka-1000.	DSE Library	Tel:+88 02 9564601-7,+88 02 9666944-8 Fax:+88 02 9569755,+88 02 9564727 E-mail:research@dsebd.org; web:www.dsebd.org	
Chittagong Stock Exchange Ltd. (CSE) CSE Building, 1080, Sk. Mujib Road Agrabad Chittagong -4100		Tel:+88 031 714632-3 +88031 720871 Fax:+88 031 714101	

ctus is also available on the websites of South Bangla Agriculture & Commerce Bank Limitec sbacbank.com), ICB Capital Management Limited (www.icml.com.bd), BSEC (www.sec.gov.bd) www.dsebd.com), CSE (www.csebd.com) and Public Reference room of the Bangladesh Securitie

+880-2-9513911-15

E-mail: jabed@cse.com.bd; Web: www.cse.com.bd

Name of the credit rating Company (if any) along with rating assigned with date of validity
and Exchange Commission (BSEC) for reading and studying.

**CSE Library** 

Eunoos Trade Center (Level-15) 52-53 Dilkusha C/A, Dhaka-1000.

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

Names of the valuer, if any and the auditors;			
Name & Address	Contact person	Telephone, Fax Number, email & web address	
Auditor			
Hoda Vasi Chowdhury & Co BTMC Bhaban (7 <sup>th</sup> & 8 <sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area Dhaka-1215	Shaikh Hasibur Rahman, FCA Mobile No: 01716706273	Telephone:+880 (2) 9120090 Fax:+880 (2) 8119292 E-mail: hasib@hodavasi.com Website: www.bodavasi.com	

A person interested to get a prospectus may obtain from the issuer and the issue manager; 'If you have any query about this document, you may consult the issuer, issue manager and underwriter" "If you have any query about this document, you may consult the issuer, issue manager and underwriter"

"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 SSUER, TIS

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)."

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

্বাভাষাজ্যের বিনিয়োগ ঝুঁকিপূর্ণা বিনিয়োগকারীগণ প্রসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ

### "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." Summary of use of proceeds of the offer;

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	
IPO Proceed	100,00,00,000.00	·	
Brief corporate directory of the issuer;			
Corporate Directory of the Issuer			

Brief corporate directory of the issuer;				
	Corporate Directory of the Issuer			
Name of the Issuer	:	South Bangla Agriculture & Commerce Bank Limited		
Date of Incorporation as a Public Limited Company	:	20 February 2013		
Date of Commencement of Commercial Operation	:	20 February 2013		
Authorized Capital	:	1000.00 crore		
Issued, Subscribed & Paid-up Capital	:	684.65 crore		
Addresses of the Registered Office	:	BSC Tower (5th -16th Floor) 2-3, Rajuk Avenue, Motijheel , Dhaka- 1000.		
Branch	:	83 no. of branches all over in Bangladesh		
Board of Directors	:	20 Directors		
Auditor	:	Hoda Vasi Chowdhury & Co. BTMC Bhaban (7 <sup>th</sup> & 8 <sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215		
Legal Advisor	:	Bhuiyan Islam & Zaidim Mr. Ariful Islam, Barrister-at-Law, House 29, Road 9/A, Dhanmondi, Dhaka-1209. Mobile Number: 01713035637		
Tax Advisor	:	Islam & Co. Mr. Md. Din Islam Miah FCA, Amigo 14 square, 59/C-61/C, level #12 Asad Avenue, Mohammadpur, Dhaka-1207, Mobile Number: 01755655104		
Issue Manager	:	ICB Capital Management Limited Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89, Kakrail, Dhaka-1000.		
Compliance Officer	:	Md. Mokaddess Ali ACSSVP & Company Secretary		
Telephone and Fax number	:	Phone: (02) 9577207-11, EXT-205, Fax: +88(02)9577212		
Website and E-mail Address	osite and E-mail Address : Email: cs@sbacbank.com, Website: www.sbacbank.com			
Banker for IPO . South Bangla Agriculture and Commerce Bank Limited		South Bangla Agriculture and Commerce Bank Limited		

### BSC Tower (5th -16th Floor) 2-3, Rajuk Avenue, Motijheel Dhaka-1000. Location of the project;

ne negistered office is situated at BSC Tower (5th - Toth Floor), 2-5, hajuk Avenue, motijneei, Dhaka-1000
Principal products or services of the Issuer
The products and services of the Company are as follows:

	Principal products or servi	ices of the issuer		
The products and services of the Company are as follows: The Bank through its Branches offers a diverse range of loan and deposit products such as:				
Liability Products:	As	set Product:		
Saving Account     Surokkha Sonchoyi Hisab     Short Term Notice Deposit     Term Notice Deposit     Student Savings Account     Tk.10, 50 & 100     Privileged Account     Senior Citizen Account as	Corporate Financing:     Working Capital Finance     Project Finance     Term Finance     Trade Finance     Lease Finance     Syndication Loan	SME Financing:     Working Capital Loan CC(Hypo), CC(Pledge)     Trade Finance (L/C, LTR, IDBP)     Transport Loan     Commercial/ResidentialHouse Building Loan     Work Order Loan     Bidder's Loan     Project Loan     Women Entrepreneur's Loan		
Checking Accounts.	Retail Credit:     Consumer Finance     Credit Card-Local, International Card, Dual Currency Card	Small Business Loan Green Financing  4. Agriculture Credit: General Agricultural Credit		
	Card, Dual Currency Card	General Agricultural Credit		

## Description of associates, subsidiary and holding Company of the issuer and core

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

Comparative financial statements and NAV, EPS and financial ratios for the last five years or from commercial operation, which is shorter;
uditors 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 accomendationed ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than we years, the advowe mentioned inclusion and submission will have to be made for the period since commercial operations.

re years, the above including indusion and submission will have to be indue for the period since continerdal 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
s 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')
as 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
and a second 20 Contamber 2020 and for the user and of 24 December 2040, 2047, 2046, and 2045, and a similar three to us for undid no and increase of aux

Particulars	30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 201
PROPERTY AND ASSETS Cash						
Cash in hand (Including foreign currencies) Balance with Bangladesh Bank and its agent bank(s)	831,755,255	759,249,747	546,096,482	463,165,656	335,651,998	268,672,22
(Including foreign currencies)	3,930,522,768	3,677,346,131 4,436,595,878	3,542,292,096 4,088,388,578	3,060,880,987 3,524,046,643	2,373,813,862	1,900,452,38
Balance with other Banks and financial Institutions	4,762,278,023	44		-,,,	2,709,465,860	2,169,124,58
In Bangladesh Outside Bangladesh	7,937,790,884 241,489,980	6,414,432,491 602,464,661	6,693,349,087 345,496,114	4,001,749,184 146,016,589	6,211,056,496 135,210,292	5,236,817,12 96,650,3
Money at call on short notice	8,179,280,864	7,016,897,152	7,038,845,201 80,000,000	4,147,765,773	<b>6,346,266,788</b> 186,000,000	5,333,467,4 150,000,0
Government Others	10,517,989,188 151,679	15,034,413,947 195,470	7,032,555,300	6,390,878,377	4,681,491,529	4,634,934,6 35,298,3
	10,517,989,188	15,034,609,417	7,032,555,300	6,390,878,377	4,681,491,529	4,670,233,0
Loans and advances	E0 000 007 004	54.050.405.035	40.070.000.444	44.050.000.005	00.000.404.047	04 000 757 0
Loans, cash credit, overdrafts etc. Bills purchased and discounted	56,680,687,384 1,236,757,722	54,658,125,375 1,342,612,104	49,072,696,441 1,182,244,003	41,353,266,835 1,931,698,390	28,306,481,017 1,867,611,799	21,099,757,0 2,028,530,7
Charles to be be described as a second control of the control of t	57,917,445,106	56,000,737,479	50,254,940,444 456.893.760	43,284,965,225	30,174,092,816	23,128,287,8
Fixed assets including premises, furniture and fixtures Other assets	1,399,795,482 2,721,408,053	442,767,868 1,632,397,650	1,709,684,983	479,756,109 1,113,371,751	468,795,762 1,033,871,858	482,500,1 754,322,3
Non banking assets TOTAL ASSETS	85,498,196,716	84,564,005,444	70,661,308,266	58.940.783.878	45,599,984,613	36,687,935,3
LIABILITIES AND CAPITAL Liabilities	80,498,190,/10	84,304,003,444	/0,001,308,200	38,940,783,878	40,099,964,613	30,007,930,0
Borrowings from other banks, financial institutions and agents Deposits and other accounts	2,880,334,741	1,117,039,452	801,154,383	398,414,216	282,066,258	231,830,5
Current accounts and other accounts	6,397,400,553	5,502,072,087	4,747,675,498	3,436,316,085 1,487,081,252	3,033,998,158 1,673,239,342	2,162,901,3
Special notice deposits Bills payable	2,589,651,802 2,485,651,234	3,026,636,791 2,420,680,927	2,140,632,984 1,651,823,035	1,378,779,929	1,073,239,342	2,879,373,9
Savings bank deposits	5,661,071,326	4,329,308,387	2,758,438,251	1,833,217,886	1,284,222,550	837,694,8
Fixed deposits	38,036,597,208	45,341,898,712	41,543,319,087	38,447,684,399	28,189,998,960	22,626,106,7
Other deposits	12,365,137,289	10,919,565,884	6,462,443,267	3,538,410,916	2,900,271,526	1,997,260,2
	67,535,509,412	71,540,162,788	59,304,332,122	50,121,490,467	38,337,200,601	30,775,384,9
Subordinated bonds Other liabilities	6.056.387.068	3.543.841.415	3.126.109.849	1.881.887.053	1.364.386.983	800.507.9
TOTAL LIABILITIES	76,472,231,221	76,201,043,655	63.231.596.354	52,401,791,736	39,983,653,842	31,807,723,4
Capital/ Shareholders' equity	10,412,231,221	10,201,043,033	03,231,390,334	32,401,791,730	38,863,653,642	31,007,723,4
Paid up capital	6.846.455.170	6.224.050.160	5.658.227.420	4.985.222.400	4.334.976.000	4.089.600.0
Statutory reserve	1,479,777,861	1,479,777,861	1,126,907,844	798,663,282	495,076,904	205,900,4
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,
Surplus in profit and loss account	654,883,514	631,537,963	582,628,542	704,290,988	676,087,907	261,183,6
	9.025.965.495	8.362.961.789	7,429,711,912	6.538.992.142	5,616,330,771	4.880.211.9
TOTAL SHAREHOLDERS' EQUITY TOTAL LIARII ITIES 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

It may be noted here that the stalutory audit for the years 2018, 2017, 2016 had been conducted by Khan Wahab Shaffque Rahman & Co., Chartered Accountants and 2015 had been conducted by Mash Mahih Haque & Co. Chartered Accountants.

SdiDhaka, 11 January 2021

Hoda Vasi Chowdhury & Co.

9,025,965,495 85,498,196,716

	South Bangla Agricu				Chartered A	countants
(B) Statement of profit and loss	Section-135(I), Para	24 (I), of Part -II o	of Schedule III to	the Companies A	Act 1994	
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
Net interest income	918,166,451	2,510,001,423	2,551,190,877	1,962,411,942	1,536,631,899	811,289,134
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
	1,777,350,739	1,842,716,245	1,452,738,796	1,513,706,149	1,425,435,016	1,020,111,227
Total operating income	2,695,517,190	4,352,717,668	4,003,929,673	3,476,118,091	2,962,066,915	1,831,400,361
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. Chief executive's salary and fees	28,839,235 6,522,666	42,505,550 11,480,000	30,853,253 11,480,000	24,039,889 12,233,548	20,262,010 12,490,000	27,433,298 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	010,000	442,700	112,100	402,000	010,000	010,000
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
Total operating expenses	1,632,754,190	2,083,542,462	1,970,090,830	1,656,819,622	1,442,184,096	1,025,455,276
Profit before provision Provision for loan	1,062,763,000	2,269,175,206	2,033,838,843	1,819,298,469	1,519,882,819	805,945,086
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
outside provision (massing on salaries street name)	90.108.411	502.825.123	387.616.035	296,366,579	82,566,754	76,496,717
Provision for rebate to good borrowers	30,100,111	2,000,000	5,000,000	5,000,000	5,000,000	10,100,111
Provision for diminution in value of investments		-,,			(13,566,206)	2,116,412
Other provisions						
Total provision	90,108,411	504,825,123	392,616,035	301,366,579	74,000,548	78,613,128
Total Profit before taxes	972,654,589	1,764,350,083	1,641,222,809	1,517,931,890	1,445,882,271	727,331,958
Provision for taxation						
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

Retained earnings brought forward from previous year Prior period adjustment						48,643,054 48,643,054
Appropriations Statutory reserve General reserve		352,870,017	328,244,562	303,586,378	289,176,454	406,650,034 145,466,392
Retained surplus	645,750,561	614,732,161	551,342,574	678,449,481	660,280,264	261,183,643
Retained surplus	645,750,561	614,732,161	551,342,574	982,035,859	660,280,264	261,183,643
Earnings per share (EPS)	0.94	1.41	1.28	1.43	1.39	0.52

	2015 had been conducted by Masih Muhith Haque & Co, 0	Chartered Accountan	its.			Sd/-	
	Dhaka, 11 January 2021				ŀ	loda Vasi Chowdhury &	
	Sout	h Bangla Agricultu	re and Commerc	e Bank Limited		Chartered Accountant	s
	Auditor's Report under Sect	ion-135(I), Para 24	(I), of Part -II of S	cnedule III to th	ie Companies A	Ct 1994	
	(C) Statement of Cash flows						
ı		30 September					

(C) Statement of Cash flows								
Particulars	30 September 2020	2019	2018	2017	2016	2015		
Cash flows from operating activities			-					
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)		
Operating profit before changes in operating assets and liabilities	284,963,891	1,334,072,226	1,807,988,367	1,555,682,959	1,335,966,604	862,637,465		
Increase /decrease in operating assets and liabilities	407.047	030 530	T		25 000 050	005 500 500		
Sale of trading securities	127,047	938,573			35,298,356	205,599,530		
Purchase of trading securities		(495,590)			l · l			
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					l •1	-		
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		
	(4,376,065,433)	6,628,218,151	2,070,593,042	(1,312,443,101)	565,319,569	2,705,689,918		
Net cash from operating activities	(4,091,101,542)	7,962,290,377	3,878,581,409	243,239,859	1,901,286,173	3,568,327,384		
Cash flows from investing activities								
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  Net cash from investing activities	3.696,779,411	(7.951,916,195)	(104.223.290)	(220,121,202)	(315.824.344)	10.325.354		
Cash flows from financing activities	3,080,778,411	(1,301,310,130)	(104,223,230)	(220,121,202)	(313,024,344)	10,323,334		
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								
Net cash from financing activities	1,763,295,289	315,885,069	402,740,167	116,347,959	50,235,675	(407,014,849)		
Net increase/(decrease) in cash (A+B+C)	1,368,973,158	326,259,251	4,177,098,286	139,466,615	1,635,697,503	3,171,637,888		
Effects of exchang erate changes on cash and cash-equivalent	119,092,699							
Cash and cash-equivalents at beginning period	11,453,493,030	11,127,233,779	14,062,690,793	13,923,224,178	12,287,526,674	9,115,888,786		
Cash and cash-equivalents at end of period (D+E+F)	12,941,558,887	11,453,493,030	18,239,789,079	14,062,690,793	13,923,224,178	12,287,526,674		
Cash and cash-equivalents at end of period								
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		

12,941,558,887 11,453,493,030 18,239,789,079 14,062,690,793 13,923,224,178 12,287,526,674

South Bangla Agriculture and Commercee Bank Limited

South Bangla Agriculture and Commercee 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 Commercee 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 propely repeared using stated principle on the basis of audited financial statements for the period 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 statements for the period ended 30 September 2020 and years ended 31 December 2019, 2018, 2017, 2016 and 2015.

Ratios perificant to the prospectus are as specified in rule 4 (1)(4) (Almenzue D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

SI	Particulars	Formula	Period						
JI.	raiuvaiais	ronnea	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%	
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)		7.84*(Times)		
10	Debt Equity Ratio	Average-Total Liabilities/Average-Total-Shareholders' Equity	8.78*(Times)	8.83*(Times)		7.60*(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	Earings 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 Adequecy Ratio(CRAR)	[Total Capital/Risk Weighted Assets]*100	14.61%	14.73%	15.88%	16.54%	18.59%	21.19%	
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%	271%	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]+ [Coerting Expenditure/Average Deposit)*100]	0.67%	2.41%	2.58%	2.52%	3.20%	3.15%	

### Name, address and short description of each of the directors Mr. S.M. Amzad Hossain, Chairman

51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100)
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 nerce. As a philanthropist, Mr. Hossain has established several schools, colleges, mosques and other socio-religious institutions.

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 33, Munsi Para, 3rd Lane, Khulna 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 House # 271 Eastern Road DONE Razidhara. Dhaka: 1206

House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206
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 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
Poronto Bela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi
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 Mohammod Shofiuddin, Director
9/10 I qbal Road, Block-A, Mohammadpur, Dhaka-1207
Mr. Abu Zafar Mohammod 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-hai Mizanur Rahman, Director

Al-naj mizanur nannan, Director
Flat # 2/B, House # 1, Road # 34, Gulshan-1, Dhaka-1212
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

Engr. Ma. Moklesur Rahman, Director
House # 78, Road # 2, Banani, Dhaka-1213
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

51, Lower Jessore Road, Khulna-9100 (Former 51, Khan-A-Sabur Road, Khulna-9100) 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

Joytun Raita, House # 20, Road # 123, Gulsahn 01, Dhaka-1212

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

8, SCC Road, Babu Bazar, Kotowali, Dhaka

Mr. Anwar Hussain is proof the South South Bank He is a young well-reputed and emerging businessperson in the country.

8, SCC. Road, babu bazar, Rucuwan, Driaka 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.

He has obtained Bachelor Degree in Business Administration. His goal is to bring in innovation and dynamism in his business. 
Mrs. Tahmina Afroz, Director
House #17, Road # 8, Dhanmondi, Dhaka-1205
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. Nasima Begum. Director (Nominated by Tharmex Textile Mills Ltd.)
Paronta Bela 150/4, Bilashdi, (DC Road), Post- Narsingdi Govt. College, P.S- Narsingdi Sadar, Dist- Narsingdi Mst. Nasima Begum is one of the Directors of South Bangla Agriculture & Commerce Bank Limited nominated by Thermax 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.)
House # 75, Road # 03, Sonadanga R/A, KDA New Market, Sonadanga, Khulna
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.

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, Director
2, Rankin Street, Wari, Dhaka
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.

Limited (famouspack), one of the leading flexible packaging indusory supplying flowed and price to Mr. Mchammed Ayub, Director
Darus Salam, 34/A Panchlaish R/A, Chawkbazar, Panchlaish, Chittagong
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.)

24. Palach Magar Mirgur- 11. Dhaka. Mr. Md. Sakhawat Hussain, Director (Nominated by Haji Shakhawat Anwara Eye Hospital Ltd.)
24, Palash Nagar, Mirpur- 11, Dhaka.
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
Flat # D-1,38, Elephant Road, Dhaka

Flat # D-1, 38, Elephant Road, Dhaka
Dr. Syed Haffzur 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 Otit Club, Khulna. Mr. Md. Sajidur Rahman, Independent Director Mr. Ma. Sajidur Rahman, independent Director
CEG-3, Road # 104, Gulshan-2, Dhaka-1212
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
Vill: Darshana, P.S: Damurhuda, Chuadanga
Mr. Md. Altaf Hossain is one of the independent Directors of SBAC Bank Ltd. He was born on 21st 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

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. Md. Altaf Hossain was appointed as an Independent Director in the 110th meeting of the Board of Directors. But Bangladesh Securities and Exchange Commission rejected the proposal of appointment of Mr. Md. Altaf Hossain an Independent Director in 12 May 2021.

\*\*Mr. Mosleh Uddin Ahmed of SBAC appointed Professor Mohammad Moabul Hossain Bhuiyan as Independent Director in the 121st meeting of the Board of Directors held on 25th May 2021 and applied BSEC for approval on 27th May 2021.

\*\*Mr. Mosleh Uddin Ahmed, Managing Director & Chief Executive Officer
House No: 08, Road# 04, Sector# 07, Uttara Model Town, Dhaka.

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 Commer **Public Issue 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° (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)

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

b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
 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 "c 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).
 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.
 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.

The Exchanges shall prepare a consolidated list of the applications and send the applicants boiling in electronic (text) format in a Comunit of 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.
 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.
 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.

Within next working day, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.
 Step-3 (Issuer)
 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.
 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

d) Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via

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 purpos

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

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.

The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.

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-Recident Bancaldachi (MRP) applicant.

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 ubmitting an application.

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 (2nd-3rd floor), 2-3 Rajuk Avenue, Motilipel 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:

	. ,				
SI.	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1.	6	0002140000075		USD	South Bangla Agriculture and Commerce Bank Limited
	South Bangla Agriculture and Commerce Bank Limited	0002141000028	FC A/C	EURO	Principal Branch, Zaman Chamber
3.	and commerce bank connect	0002142000026		GBP	47, Dilkusha C/A, Dhaka-1000.

# \*BUSINESS

# Bureaucrats not smart enough to execute budget on time

Planning Minister MA Mannan says; analysts stress faster vaccination

STAR BUSINESS REPORT

Bureaucrats, despite being well trained and educated, are not smart enough to implement the budget in a timely manner, for which this Evaluation Division (IMED) is not at its required perennial difficulty may persist, Planning proficiency. Minister MA Mannan said yesterday.

The ministry alone cannot take down this bureaucracy," he added. bureaucratic barrier as the solution lies in interministerial coordination.

Besides, the Implementation Monitoring and

"So, we have to carry out more reforms in the



The government needs to get 70 per cent of the population vaccinated as soon as possible for a V-shaped economic recovery, says an expert.

Mannan was addressing a webinar on "Budget and Business Outlook of Bangladesh During 2021-22: Strategic Priorities", organised by the American Chamber of Commerce in Bangladesh (AmCham).

The government needs to get 70 per cent of the population vaccinated as soon as possible for a V-shaped economic recovery from the Covid-19 fallout, said Atiur Rahman, a former governor of Bangladesh Bank.

Getting such a large number of people their jabs fast is important to bring back confidence among businesspeople.

"Forget the implementation and deficit issues in the budget, we need vaccination for the people and to take more care of partnerships between the government and private sector to turn around and to fight back against the disaster," Rahman said.

Vaccination has not been prioritised in the proposed national budget for fiscal 2021-22 and now there is no alternative to vaccination.

"The social safety net allocation will not serve the purpose for the new poor stemming from the Covid-19 fallouts," he added.

The former central bank governor also said a budget deficit of 6.2 per cent and 40 per cent loan-GDP ratio was okay for the economy and such issues would not affect the budget's implementation.

However, the budget is growth oriented as allocation has increased for the power, transport and communication sectors, which will generate growth in the economy.

READ MORE ON B2

# Finance Bill 2021: a few welcoming moves



Mamun Rashid

June 3 marked a remarkable date for Bangladesh as the finance minister presented the country's 50th budget in parliament on the occasion of the 50th year of independence. As expected, the Tk 603,681 crore budget is the largest that has ever been proposed.

The proposed revenue collection target is Tk 389,000 crore. Economic growth goal has been set at 7.2 per cent, expected inflation 5.3 per cent, and overall deficit Tk 214,681 crore.

Tk 10,000 crore has been set aside for Covid-19 response, Tk 71,900 crore was allocated towards education and Tk 225,324 crore for the annual development programme. The finance minister plans to borrow Tk 76,452 crore from the banking sector and Tk 37,001 crore from the sales of savings certificates.

Like last year, this year's budget is once again seen as a business-friendly one.

The tax rate for non-listed companies has been proposed to be cut from 32.5 per cent to 30 per cent, and for listed ones, from 25 per cent to 22.5 per cent. However, it may not please the companies whose advance

**OPINION** 

tax (tax deduction/collection at source) is higher than their regular tax payment.

The business turnover tax rate for individual taxpayers has also been proposed to be reduced to 0.25 per cent from 0.50 per cent. Furthermore, the current budget proposes to provide tax exemptions for companies that are engaged in the manufacturing of automated vehicles, three- and four-wheelers, home and kitchen appliances, and engineering products as long as certain conditions are

There is also a five-year extension for the exemption from VAT for makers of motor vehicles, sending a very good message to the automobile industry that would like to assemble or manufacture locally.

The finance minister also proposed 10-year tax exemption for certain IT hardware manufacturers as long as they are produced in Bangladesh. The term "Made in Bangladesh" has been a key focus of the budget with the intention of boosting local manufacturing and discouraging imported

These rate cuts and exemptions are a welcome follow-up from the previous year's finance bill, which also extended similar tax cuts to business enterprises. The cuts are certainly highly welcome by the corporate sector and the cash-rich potential investors, especially foreign ones.



The finance minister has proposed corporate tax rate cuts and tax exemptions in the budget for the next fiscal year to boost the economy during the coronavirus pandemic.

# Regulatory environment needs improvements: experts

STAR BUSINESS REPORT

The proposed budget's tax exemptions and corporate tax reduction are welcome moves for job creation but regulatory environment improvements and ease of doing business are also important to attract investment in manufacturing, said a webinar's discussants.

The Ernst & Young Advisory Services Bangladesh organised the event on the budget. Finance Minister AHM Mustata Kamal unveiled the Tk 603,680 crore budget, offering a 2.5 percentage point cut in the corporate tax rate

for listed and non-listed companies. He also proposed full tax exemption for eight manufacturing sectors for up to 10 years, including home appliances, fruits and vegetable processing, dairy and dairy product making and light engineering products.



Bangladesh was languishing at the 168th position in the 2020 ease of doing business ranking of World Bank Group, reminded Masud Khan, chairman of Unilever Consumer Care.

Private investment remains stagnant while an enabling environment is necessary to encourage investment which is highly needed to create more jobs as only 2.5 lakh of youths get employed out 22 lakh who join the workforce annually, said Prof Abu Eusuf of development studies at the University of Dhaka.

He said initiatives to address the issue of the

"new poor" and entrepreneurs of small and medium businesses through fiscal measures were expected

"We did not see that initiative. We now need to think beyond growth, beyond average," said Eusuf, also director of the university's Centre on Budget and Policy.

The event was moderated by Harish Agarwal, partner and location leader (Bangladesh) the Ernst, while AKM Mahbubur Rahman, commissioner of Customs Bond Commissionerate, Chattogram, and Ruhul Amin, chief strategy officer of Robi Axiata, also

EY Partners, Tax & Regulatory Services Rakesh Saha, Dinesh Agarwal and Senior Manager Tax & Regulatory Services Momtaz Aziz Ahmed jointly shared a paper on the changes made in the indirect and direct taxes.

## **GLOBAL BUSINESS**

# Reckitt to sell China baby formula business for \$2.2b

President Joe Biden and Republicans

Biden rejects new Republican

entered the weekend sharply at odds over how to craft an infrastructure deal that could satisfy their camps, imperiling the odds of a bipartisan deal. Democrat Biden shot down a new

infrastructure offer

proposal from the main Republican negotiator on infrastructure, Senator Shelley Moore Capito, that increased spending by about \$50 billion over their last offer, the White House said.

Biden rejected the offer, saying it "did not meet his objectives to grow the economy, tackle the climate crisis, and create new

Republicans had previously offered roughly \$257 billion in new spending, short of the \$2.25 trillion Biden initially offered and suggested he might bring down to as low as \$1 trillion.

And while the two sides agreed to speak again on Monday, the White House also strongly signaled that they may seek a path forward with other Republican lawmakers or even with only Democrats.

"He indicated to Senator Capito that he would continue to engage a number of Senators in both parties in the hopes of achieving a more substantial package, White House spokeswoman Jen Psaki said in a statement.

Up until now, Capito has been Biden's primary negotiating partner. Monday's conversation will be their third in a week.

Biden is eager to show that he made a good-faith effort at a bipartisan deal, sources said, but he risks creating division among Democrats, some who believe he is giving up too much to Republicans. Democrats hold narrow majorities in both the House of Representatives and Senate.

A Capito spokesperson offered scant detail of what was discussed on the call, saying that they "continued negotiating" and discussed both sides' views.

Friday's call showed serious hurdles remain to bipartisan negotiations even just two days after Biden floated his biggest concession yet.

Biden offered to drop his plan to raise corporate tax rates as high as 28 per cent during an Oval Office meeting with Capito, sources said, replacing it with a minimum 15 per cent tax rate aimed at ensuring all companies pay taxes.

Republican leaders see corporate tax

hikes to finance the construction of roads, bridges, water pipes and other projects as a

Biden could now choose to strike a deal including most of his wish list that might, at best, only secure the backing of his fellow Democrats.

Doing so would require seeking a partyline "reconciliation" vote. Reconciliation circumvents Senate rules that effectively require 60 votes to pass most legislation.

But Biden's one-on-one sessions between Biden and Capito are increasingly testing liberal Democrats' patience by watering



**US President Joe Biden** 

down their goals and delaying legislative action in the period before Congress goes into recess for summer vacation.

Senator Bernie Sanders, a liberal courted by the White House, said Republicans have passed massive tax cuts without bipartisan support and that he saw no reason Democrats couldn't move forward in similar fashion.

"Please don't tell me we can't use the same tools to help working people,' Sanders wrote on Twitter.

A group of young activists from the Sunrise Movement, which wants to halt climate change and create jobs, gathered in front of the White House on Friday to protest what they called Biden's broken promises and pandering to Republicans.

'We are demanding that he stops working with the GOP, that he meets with us instead and that he passes the biggest, most robust infrastructure package that he can," said 24-year-old Ellen Sciales, one of the members of the Sunrise Movement that was consulted by Biden's presidential campaign.

REUTERS British consumer goods maker Reckitt Benckiser Group Plc said on Saturday it was selling its infant formula and child nutrition (IFCN) business in China to investment firm Primavera Capital Group for an enterprise value of \$2.2 billion.

The Lysol disinfectant and Dettol soap maker will retain an 8 per cent stake in the IFCN China unit and anticipates net cash proceeds from the sale to be about \$1.3 billion, it said in an emailed statement.

Reckitt expects to incur a net loss of 2.5 billion pounds (\$3.5 billion) on the disposal, mainly due to the re-measurement of goodwill and intangible assets, it said.

Reuters in March reported that the Slough, England-based company was considering the sale of the business.

The sale closes a strategic review of IFCN China launched in February as a result of sluggish sales caused



REUTERS/FILE

Mead Johnson's product Enfamil baby formula is displayed on a store shelf in New York City, US.

by intense competition from local Chinese baby formula brands and slowing birth rates in China.

Reckitt executives have also attributed Hong Kong border closures during the Covid-19

In the same sector, French dairy group Danone sold its 9.8 per cent stake in China Mengniu Diary in May for about \$1.6 billion euros.

pandemic as weighing on the

business, which it acquired as part

of its \$16.6 billion purchase of US-

based Mead Johnson in 2017.

Reckitt's Greater China infant formula business represents 6 per cent of group sales, which were almost 14 billion pounds (\$19.82 billion) in 2020, up 11.8 per cent year-on-year. On Saturday, Reckitt said the deal included the sale of its manufacturing plants at Nijmegen in the Netherlands, and in Guangzhou, China, and a royalty-free perpetual and exclusive license of the Mead Johnson and Enfa family of brands in China.

After the deal's close, expected in the second half of 2021, Reckitt will own and operate the Mead Johnson and the Enfinitas, Enfamil and Enfagrow brands in the rest of the world.

## Indian airline IndiGo reports fifth straight quarterly loss

REUTERS, New Delhi

Interglobe Aviation Ltd, which runs India's biggest airline IndiGo, reported its fifth straight quarterly loss on Saturday, as the Covid-19 pandemic kept air travel well below normal levels.

The company reported a net loss of 11.47 billion Indian rupees (\$157.43 million) in the three months ended March 31, compared with a loss of 8.71 billion rupees a year earlier. "This has been a very difficult year with our revenues slumping hard due to Covid, showing some signs of recovery during the period December to February and then slumping again with the second wave of the Covid," IndiGo CEO Ronojoy Dutta said in a

a period of great trial for IndiGo Toulouse, France.



The coronavirus pandemic is An IndiGo Airlines Airbus A320 aircraft takes off in Colomiers near

shareholders and staff, Dutta said, adding that the carrier was strengthening its core to emerge stronger when the sector recovers from the current situation. India's aviation sector is reeling

under losses with air travel brought to a halt for several weeks last year. The country's airlines are expected to lose a total of \$4 billion this fiscal year, aviation consultancy CAPA estimated - similar to their losses last fiscal year through to March 31. Just as air travel in India was

beginning to recover earlier this year, a second more deadly wave of the pandemic hit the nation, killing hundreds of thousands of people.

Most Indian states were under lockdown in April and May, and the government has restricted airlines to fly only 50 per cent of their total capacity.