

ANNUAL REPORT 2019



SABINCO

: Development Financing Institution

Saudi - Bangladesh Industrial and Agricultural Investment Company Ltd.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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NOTICE OF THE 36th ANNUAL GENERAL MEETING (AGM)

With reference to the Article 27 of the Articles of Association of the Company, notice is hereby given that the 36th Annual General Meeting of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited will be held on 12th September, 2020 at 12:00 noon through Digital Platform (at the Registered Office of the Company at 79, Nikunja-2, Dhaka-1229, Bangladesh) to transact the following business:

AGENDA

1. Confirmation of minutes of the 35th Annual General Meeting held on 22nd June, 2019.
2. Consideration and adoption of the Directors' Report on the performance of the Company during the year 2019.
3. Consideration and adoption of the Audited Accounts of the Company together with the Report of Auditors thereon, for the period from 1st January to 31st December 2019.
4. Appropriation of Profit and Declaration of Dividend, if any.
5. Approval of Annual Remuneration to Directors in terms of the Article 48 of the Articles of Association.
6. Appointment of Messrs S. F. Ahmed & Co., Chartered Accountants as Auditors of the Company for the year 2020 and fixation of their remuneration.

It may be mentioned that in terms of Article 38 of the Articles of Association of the Company "Every shareholder shall be entitled to attend the General Meeting in person or authorize another shareholder. The authorization shall be ratified by the competent authorities. Such instrument shall be deposited at the registered office at least 72 hours before the time for holding the meeting."

By the order of the Board

(Md. Rajib Alam Khandker)
Asstt. Vice President (Monitoring) &
Acting Company Secretary

Dhaka
25 August, 2020



Corporate Information

Registered Name	: Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO).
Corporate Office	: 79, Nikunja-2, Dhaka-1229, Bangladesh.
Legal Entity	: Private Limited Company.
Date of Incorporation	: 24 June, 1984 under the Companies Act 1913.
License Details	: Bangladesh Bank License No. BCD (Non-Banking)/ Dhaka/4/95 dated 07 February 1995.
Auditors	: Khan Wahab Shafiq Rahman & Co., Chartered Accounts.
Legal Advisor	: Dr. Kamal Hossain & Associates, Ms. Sadia Rowshan Jahan, Advocate, Supreme Court of Bangladesh.
Tax Advisor	: K.M. Hasan & Co., Chartered Accountants.
Membership	: Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI) & Foreign Investors Chamber of Commerce and Industry (FICCI), Bangladesh.
Bankers	: Standard Chartered Bank and The City Bank Ltd.
Website	: www.sabinco.com.bd
E-mail	: sabinco@sabincobd.com



Our Vision & Mission

Vision:

Position SABINCO as the leading Non-Bank Financial Institution in the country.

Mission:

- ◆ Provide superior customer service and competitive pricing.
- ◆ Strictly adhere to credit norms, exercise due diligence and ensure effective management of risk, and
- ◆ Prudence and efficiency as the guiding principles in carrying out our business.

Our Objectives

“ SABINCO's objectives are to make investments in the industrial and agro-based industrial fields in the People's Republic of Bangladesh purely on commercial basis ”



Our Core Values

- “
- ◆ Responsibility and accountability
 - ◆ Customer Focus
 - ◆ Value Creation
 - ◆ Team Work
 - ◆ Transparency
 - ◆ Trust and Respect
 - ◆ Honesty and Integrity
- ”



Milestone Achievements

- SABINCO, a non-depository Financial Institution, was established in 1984.
- SABINCO has so far facilitated 138 industrial investments, amounting to Taka 18,384 million, in the private sector in Bangladesh from its own financial resources.
- SABINCO since inception has been contributing in employment generation and industrial enterprises promotion.
- SABINCO has played a pivotal role in the development of the Fisheries sector in Bangladesh by financing the first Balanced Fish and Poultry Feed Mill in the country and introducing the industrial scale Fish-Farming (grow out).
- The first commercial shrimp hatchery (Black Tiger) in the country was financed by SABINCO.
- SABINCO by promoting two pioneering cement manufacturing industries acted as a catalyst in the establishment of private sector cement industry in the country.
- SABINCO has so far approved Taka 2,606 million in 21 power projects having total capacity of 1,541 MW in syndication with other lenders since 2005.
- SABINCO's cumulative dividend payment to its shareholders, surpassed the paid up and authorized capital of Taka 2,106.08 million in 2014.



Milestone Achievements

- SABINCO continues to make significant contribution to the National exchequer as income tax (1995-2011) and dividend. Figures since inception till 31st December 2019, mentioned below:

- Taka 1,345.264 million paid as Income Tax to the Government of the People's Republic of Bangladesh for the period 1995-2011 (Not covered by tax exemption privileges).

- Taka 1,687.85 million paid as Dividend, to the Government of the People's Republic of Bangladesh.

- US \$ 23.09 million (Taka 1,687.85 million) remitted to the Government of the Kingdom of Saudi Arabia as Dividend.

- SABINCO owned office building at Nikunja-2, Dhaka-1229 completed in June, 2012

- Automation fully operational since 2017, SABINCO's new automation solution consisting of SAGE ERP (Enterprise Resource Planning) integrated with a locally developed Loan Management System (LMS), today provides for added efficiency and cost effective solution as compared to investments made by peers for this capacity.

Corporate Profile



Based on the MOU concluded between the brotherly Government's of the Kingdom of Saudi Arabia and the People's Republic of Bangladesh, SABINCO was established in 1984, with the objective of making investments in the Industrial and Agro-based Industrial sectors in Bangladesh on a commercial basis.

Since 1995, the Company has been operating as a non-bank Financial Institution under a license granted by Bangladesh Bank.

The Subscribed and Paid-up Capital of the Company is Taka 2,106.08 million (Equivalent US\$ 60.00 million), equally subscribed by both the Governments. It is a non-depository non-bank financial institution.

Our Business:

- ◆ SABINCO has so far approved 138 ventures in various industrial/ financial/ institutional sub-sectors of the country.
- ◆ In the recent past, we have extended 'wholesale financing' to three leading financial institutions and a leading NGO for reinvesting in the SME and micro finance sectors.
- ◆ Projects so far financed are in the various sectors viz. Agriculture, Chemicals, Cement, Electronics & Electrical, Food & Beverage, Glass & Ceramics, Iron Steel & Engineering, Pharmaceuticals, Power, Textiles, Telecom & IT.
- ◆ Of 138 projects financed, 93 projects have already fully settled their loan liabilities. Thus, the total count of live projects is 45.
- ◆ As on 31 December 2019 total loan and investment stands as under:

Total Loan outstanding :

Taka 3,547.70 million

Total Investments :

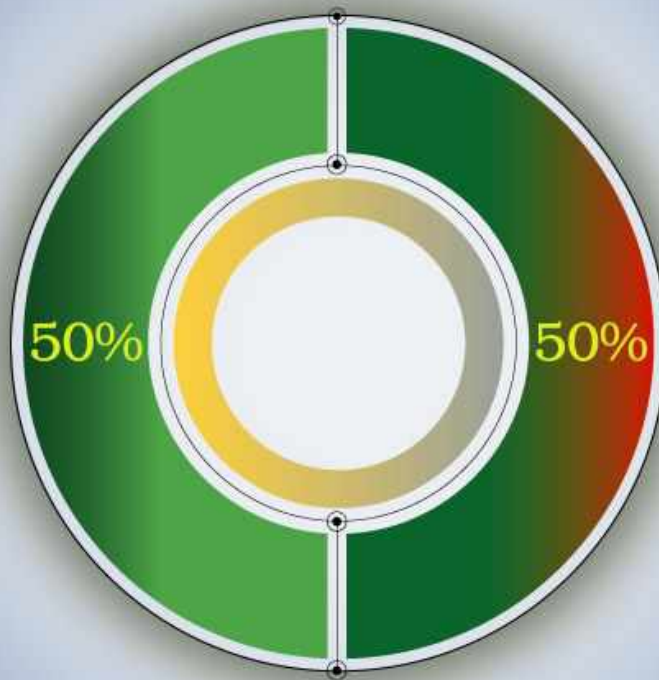
Taka 918.75 million

Total Loan and Investments :

Taka 4,466.45 million



Shareholding Structure



Government of the
Kingdom of
Saudi Arabia

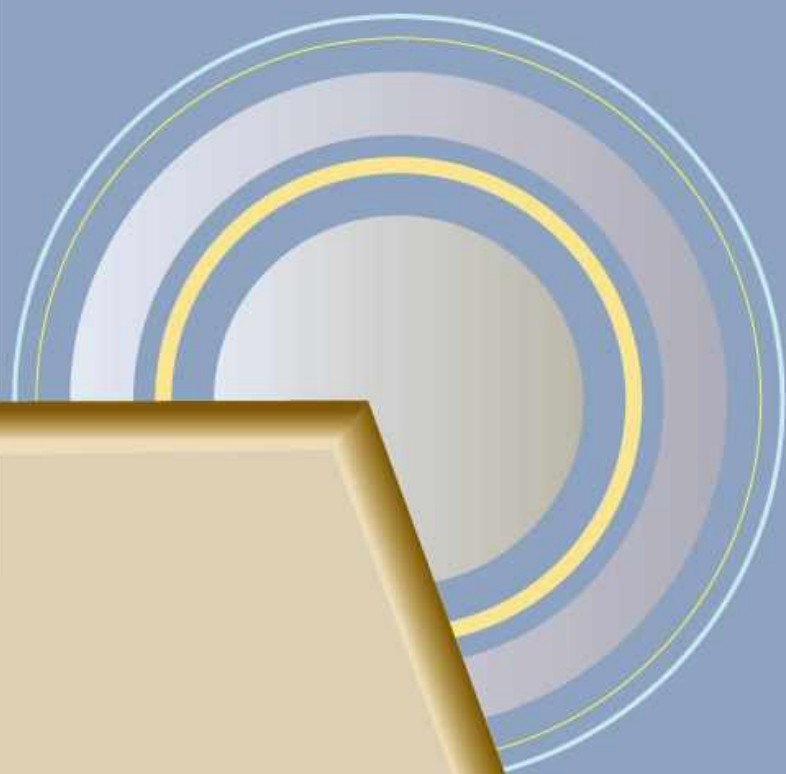
50%

Government of the
People's Republic of
Bangladesh

50%

Total: 100%

Board of Directors





Abdur Rouf Talukder
Deputy Chairman, **SABINCO &**
Secretary
Finance Division, Ministry of Finance
Government of the People's Republic of Bangladesh



Ahmed M. Al-Ghannam
Chairman, **SABINCO &**
Director General
Saudi Export Program
The Saudi Fund for Development
Government of the Kingdom of Saudi Arabia



Sultan Abdulrauf
Director, **SABINCO &**
Chief Investment Officer
Saudi Research and Marketing Group
Government of the Kingdom of Saudi Arabia



Monowar Ahmed
Director, **SABINCO &**
Secretary
Economic Relations Division, Ministry of Finance
Government of the People's Republic of Bangladesh



Mohammed H. Alshuhail
Director, **SABINCO &**
Chief Executive Officer
International Pediatric Nutrition Company
Government of the Kingdom of Saudi Arabia



M. Tofazzel Hossain Miah
Director, **SABINCO &**
Secretary
Prime Minister's Office
Government of the People's Republic
of Bangladesh

Audit Committee

Ahmed M. Al-Ghannam
Abdur Rouf Talukder
Sultan Abdulrauf
Monowar Ahmed
Mohammed H. Alshuhail
M. Tofazzel Hossain Miah

Executive Committee

Sultan Abdulrauf
M. Tofazzel Hossain Miah
Ahmed Ehsanul Karim

MANAGEMENT COMMITTEES

Management Committee (ManCom)

Ahmed Ehsanul Karim	Managing Director (Acting)
Mohiuddin Mohammed Zuhair	Executive Vice President (Internal Control)
Mozammel Hoque	Executive Vice President & Head of Investment
Md. Kamruzzaman	Senior Vice President & Head of Finance
Md. Abdul Hannan	Assistant Vice President (IT)
Syed Anwar Hossain	Assistant Vice President (Admin. & HR)
Mohammad Abul Hasnat	Assistant Vice President (Law)

Asset Liability Management Committee (ALCO)

Ahmed Ehsanul Karim	Managing Director (Acting)
Mozammel Hoque	Executive Vice President & Head of Investment
Md. Kamruzzaman	Senior Vice President & Head of Finance
Idrish Mia	Assistant Vice President (Accounts)

Integrity Committee

Ahmed Ehsanul Karim	Managing Director (Acting)
Mohiuddin Mohammed Zuhair	Executive Vice President (Internal Control)
Mozammel Hoque	Executive Vice President & Head of Investment
Rajib Kumar Roy	Senior Vice President (Investment)
Md. Abdul Hannan	Assistant Vice President (IT)



MANAGEMENT TEAM

Ahmed Ehsanul Karim
Managing Director (Acting)

Mohiuddin Mohammed Zuhair
Executive Vice President
(Internal Control)

Mozammel Hoque
Executive Vice President
& Head of Investment

Md. Kamruzzaman
Senior Vice President &
Head of Finance

Rajib Kumar Roy
Senior Vice President (Investment)

Md. Abdul Hannan
Assistant Vice President (IT)

Idrish Mia
Assistant Vice President (Accounts)

Md. Saruare Alam
Assistant Vice President
(Internal Control)

Syed Anwar Hossain
Assistant Vice President
(Admin & HR)

Md. Rajib Alam Khandker
Assistant Vice President
(Monitoring)

Md. Sabbir Qader
Assistant Vice President
(Taken Over Project)

Mohammad Abul Hasnat
Assistant Vice President (Law)

Hasan Mahamud Khan
Assistant Vice President
(Monitoring)

Marufa Jahan
Assistant Vice President (Accounts)

Md. Saifulla Ferdousi
Assistant Vice President
(Internal Control)

Mohammed Mokbul Morshed Khan
Assistant Vice President
(Internal Control)

Obaidul Haque
Principal Officer (Accounts)

Ummay Afroza Khanam
Principal Officer (IT)

Md. Alamgir
Principal Officer
(Admin & Accounts)

Zafrin Akhtar
Principal Officer
(Investment)



Risk Management





Risk Management

Risk Management is a discipline at the core of every financial institution and encompasses all the activities that affect its investment risk profile. The objective of Risk Management is to identify measure and control various risks prevailing over operation of the Financial Institution.

Risk is inherent uncertainty about future outcomes of business/investment events which can be either positive or negative. Risk is the probability that both the expected and unexpected events may impact adversely on the Financial Institution's capital or earnings. Financial Institutions are invariably faced with different types of risks that may have a negative effect on their business.

Due to complex and competitive business environment, challenges of Financial Institutions are increasing. FIs are continuously exploring innovative and effective ways to increase revenues, maintain necessary capital ratios, improve margins, strengthen balance sheets and enhance efficiencies. Economic volatility, issues involving data security and troubled assets are reasons for additional concern for the Financial Institutions.

Therefore, in response to competitive and ever evolving dynamic business environment, it has become necessary to manage risks towards ensuring sustained long-term survival and continued smooth operation.

Risk management is a constant challenge for all Financial Institutions. Risk Management entails four key processes i.e. risk identification, risk measurement, risk control and risk monitoring.

Risk Identification:

To manage risks, identification of existing risks or risks that may arise from both existing and new business initiatives (for example, risks inherent in lending activity include credit, liquidity, interest rate and operational risks) is very important for the organization. Risk identification is a continuing process which may occur at both the transaction and portfolio level.

Risk Measurement:

After identification of risk, it is required to measure the risk to determine their impact on the institution's profitability and capital. This can be done using available techniques ranging from simple to sophisticated models.

Accurate and timely assessment of risk is essential for effective risk management systems. An institution that does not have a risk measurement system has limited ability to control or monitor risk levels. Risk measurement will have to be done periodically in order to make sure that the measurement tools it uses are accurate. Good risk measurement systems assess the risks of both individual transactions and portfolios.

Risk Control:

After measuring risk, an institution may establish and communicate risk limits through policies, standards and procedures that define responsibility and authority. Institutions may also apply various mitigating tools in minimizing exposure to various risks. Institutions may have a process to authorize exceptions or changes to risk limits when warranted.

Risk Monitoring:

An effective management information system (MIS) must be in place to monitor risk levels and facilitate timely review of risk positions and exceptions. Monitoring reports must be frequent, timely, accurate and informative and be distributed to appropriate individuals to ensure action, when needed.

The key elements of an effective risk management framework are:

- a) Active Board and senior management oversight;
- b) Appropriate policies, procedures and limits;
- c) Adequate risk measurement, monitoring and management information systems; and
- d) Comprehensive internal controls.

SABINCO's business activities are guided by the Board approved "Core Risk Management Guidelines". In addition, an analytical report titled "**Risk Management Paper**" incorporating all risk areas is prepared on a monthly basis. This report is discussed in depth at SABINCO's Risk Management Forum and necessary corrective actions are implemented.

We are continuously striving to mitigate risk arising from operational activities by adopting various policies and guidelines, such as, Credit Risk Management Guidelines, Assets Liabilities Management



Guidelines, Internal Control and Compliance Guidelines, Information and Communication Technology Guidelines, Anti-money Laundering and Combating with Terrorist Financing Guidelines, Customer Services and Complaint Management Guidelines. SABINCO strictly adheres to these policy guidelines. Apart from internal policy guidelines, instructions and rules and regulations of Bangladesh Bank are being followed in letter and spirit. Management's consistent commitment to sound risk management, has resulted in SABINCO's strong capital and liquidity position.

Risks Mitigation:

a. Credit Risk

This arises mainly from lending, settlement and other financial transactions. Credit risk comprises counterparty risk, settlement risk and concentration risk.

Credit risk is undoubtedly one of the most crucial issues in the field of financial risk management. Being a Financial Institution, SABINCO needs to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions.

SABINCO practices standard credit norms and principles for credit/investment approval and monitoring. SABINCO has already formulated Credit Risk Management Guidelines and has been updated as and when required. To



mitigate the credit risk, SABINCO takes the following approaches:

1. Maintaining credit portfolio mix;
2. Limiting single borrower/ sectoral/ product exposure;
3. Credit/investment assessment;
4. Credit/investment risk grading;
5. Environmental and social risk rating;
6. Review of CIB Report;
7. Risk based pricing;
8. Verifying security documents;
9. Credit approval from appropriate authority as per limit set by CRM Guideline;
10. Credit monitoring and recovery;
11. Verifying Credit approval/ disbursement compliance issues by Internal Auditors;
12. Reporting to Board of Directors/ Regulators;
13. Review of Credit Risk Management Policy Guidelines (as and when required).

Internal Committees to address Credit/investment Risk:

1. Credit Committee
2. Trade Committee
3. CRM Committee

b. Market Risk:

Market Risk relates to value of future cash flows of the financial instruments which will fluctuate due to change in different market variables, namely:

- I. Interest Rate Risk
- II. Equity Position Risk
- III. Foreign Exchange Risk

In order to minimize the market risk, SABINCO has put in place a system of regular review of the lending and deposit rates and trading portfolio. The Asset Liability Management Committee (ALCO) of SABINCO reviews the balance sheet gap on a regular basis and determines the applicable interest rates depending upon the movement in the market interest rates.

c. Liquidity Risk

Liquidity risk arises when the FI, despite being solvent, fail to maintain or generate sufficient cash resources to meet payment obligations, or can only do so at a loss.

To manage liquidity, SABINCO ensures adequate liquidity to meet its liabilities when due, under both normal and stressed situations, without inflicting unacceptable losses or tarnishing SABINCO's credibility. After analyzing the overall liquidity and funding profile of Balance Sheet, necessary funds are being deployed to support ongoing business activities.

The Key measure for mitigating risk is the advances to match different maturity profiles, projection of payments, assets and liabilities maturity analysis.

d. Operational Risk

Operational risk is the risk of loss from inadequate or failed internal processes,





people and systems or from external events. This includes information and legal risk but excludes reputational and strategic risk.

Supporting policies have already been adopted by SABINCO which deal with management of various areas of operational risk which are (a) Internal Control and Compliance Guidelines (b) Information and Communication Technology Guidelines and (c) Anti-money Laundering and Combating with Terrorist Financing Guidelines.

e. Technology Risk

Customers may suffer service disruptions, or they may incur losses arising from system defect such as failures, faults, in computer operations, or illegal or unauthorized use of computer system or IT security threats.

SABINCO has required system and processes to protect its Information Technology (IT) system and network infrastructure from possible physical break-ins, security breaches and other disruptions caused by increased use of technology. Computer break-ins could affect the security of information stored in and transmitted through these computer systems and network infrastructure. SABINCO has established Information and Communication Technology Policy and for ensuring smooth functioning

continues to upgrade and modernize the IT platform/ system automation.

f. Industry Risk

Industry risk is the possibility that a specific industry may fail to perform up to the level or even at par. Industry risk also refers to the risk of increased competition from foreign and domestic sources impacting on revenues, profit margins, market share etc. which could have an adverse effect on the business and financial condition.

Since inception, SABINCO has been absolutely client focused. Accordingly, SABINCO has formulated Customer Services and Complaint Management Guidelines and steps have been taken to enhance customer satisfaction by upgrading skills, systems and technology to meet such challenges.

SABINCO is attempting to add quality assets on competitive terms and also taken steps to broaden its product offering.



Corporate Governance



Fairness, transparency, accountability and responsibility are the minimum standard of acceptable corporate behavior. Good corporate governance practices enable the organization to increase efficiency, minimize risk, improve the standard of lending, invigorate the management and protect the rights of shareholders/stakeholders.

SABINCO recognizes the importance of Corporate Governance and has established policies to provide direction and framework for oversight and management of the activities of the organization.

All the business decision are undertaken within the defined policy framework. Independent group and sub-group have been constituted across the organization to facilitate evaluation, monitoring and reporting of various risks.

SABINCO strictly abides by the policies and pursues due diligence in all areas of operation towards fulfilling the Company's objectives.

Duties and responsibilities are appropriately delineated between the Board and Management for checks and balances, to ensure smooth business operation. The Board provides strategic and policy decisions to attain pre-determined goals and objectives of the organization. The Board approves the annual budget and reviews the same from time to time so as to provide direction as per changing requirement.



For establishing effective risk management in credit and other key areas of operation the Policies and Manuals of the various segments of business are also reviewed by the Board. The Board also ensures that adequate internal control systems are in place and are consistently complied with.

As a locally incorporated financial organization, SABINCO is also guided, in its corporate governance practices, by the regulatory authority (i.e. the Bangladesh Bank) ensuring full compliance to all the rules and regulations of the regulator.

Internal Control and Compliance Department of SABINCO is also structured as per the guidelines of Bangladesh Bank. This department ensures proper compliance of all regulatory instructions and internal policies and procedures in the day to day operations.

A well-structured risk management system is in place to identify, measure, monitor, and control various risks in accordance with explicit and well-defined policies and procedures. The Risk Management Team maintains co-ordination with the representatives of the various functions to implement risk management policies and practices.

SABINCO also has a Board approved code of conduct for the employees of the Company and all the employees are required to maintain code of conduct

properly and demonstrate highest ethical standards.

For quick disposal of credit proposal, the Board has delegated authority to the Executive Committee to take necessary decision and approve business proposal within certain limit.

The Board has also delegated required financial power to the Management.

Board of Directors:

According to clause 43 of the Articles of Association, the Board of Directors of SABINCO comprises of six members including the Chairman and the Deputy Chairman.

The Chairman and two of the Directors are nominated by the Government of the Kingdom of Saudi Arabia while the Deputy Chairman and two Directors are nominated by the Government of the People's Republic of Bangladesh.

A total of 4 (four) Board meetings were held during the year 2019, wherein besides project financing, several important decisions were taken.

Audit Committee:

SABINCO has a Board Audit Committee which plays an important role. The Board Audit Committee oversee all financial reporting process and disclosures,

reviewing the adequacy of internal control system and findings of internal investigations.

The committee also reviews the audit report relating to core business operations and the taken over projects and compliance with all laws and regulations.

Executive Committee:

The Executive Committee (EC) of the Board approves credit proposals as per approved policy of the Board. EC also reviews the policy and guidelines issued by Bangladesh Bank in respect of credit risk and other operational activities in the industry.

While submitting the credit proposals for approval, SABINCO Management ensures due diligence of adherence of the Board approved policy and risk management.

Internal Control and Compliance:

A sound internal control system plays an important role in contributing to the effectiveness of the organization in its business operation in an efficient manner. This ensures sound financial reporting and control procedures as well

as compliance with relevant laws and regulations.

SABINCO has established an appropriate and effective internal control policy in line with the requirement of the organization. An independent Internal Control and Compliance Department has also been established and the aim of this department is to provide reasonable assurance regarding the reliability of the financial reporting, compliances with laws, regulations and internal policies, consistency of Company's procedures and protecting its resources.

As a tool of internal control, this Department undertakes periodic and special audit in accordance with audit plan to assess and improve the accuracy and reliability of the accounting and financial information and also to find out the weaknesses and defects in the control processes and report to the competent authority for corrective measures to protect the Company's interest.

Besides, the Internal Control and Compliance Department is also entrusted with the responsibility of administering the "Anti Money Laundering" regime within the Company as required by the Central Bank.





Sustainable Finance Activities

Green Banking:

Green environment is one of the most important issues world is witnessing today where people from all over the world are increasingly becoming concerned about environment pollution. Governments around the world are working towards balanced development where each country will be able to develop its economy with least negative consequences on the environment.

Bangladesh as a part of the global family is considered as one of the most vulnerable and severely affected countries due to the adverse consequences of environmental pollution. Bangladesh has enacted



several legislative measures for different industries to minimize the damage on its environment. Green banking is one of the important policies developed by Bangladesh Bank for the financial sector.

Green Banking is in effect eco-friendly banking to prevent environmental degradation. Green banking involves a two-pronged approach. Firstly, green banking focuses on the green i.e. environmental-friendly transformation of internal operations of all Banks and FIs. It means all the Banks and Financial Institutions should adopt appropriate ways of utilizing renewable energy, automation and other measures to minimize carbon footprint from banking activities.

Secondly, all Banks and Financial Institutions should adhere to environmentally responsible financing that supports green initiatives and projects, by assessing environmental risks of projects, prior to making financing decision.

In line with the instructions from the Central Bank, within the ambit of green banking policy, SABINCO has formulated its own Green banking policy duly

approved by Board and taken following initiatives:

- ❑ Developed its internal Green Banking policy and Green Office Guide to institutionalize various aspects across the organization. Besides, SABINCO has also incorporated the Environment and Social Risk Management (ESRM) in Credit Risk Management Policy. SABINCO complies with the Environmental and Social Due Diligence (ESDD) checklist while approving projects.
- ❑ Installed Solar Panel in its own building to meet a part of its electricity consumption from Solar Energy.

SABINCO envisages financing environment friendly i.e. green projects like Solar Energy, ETP, Bio Gas Plant, Auto Brick etc., while approving other industrial projects. SABINCO encourages the borrower to install necessary effluent/waste treatment system to safeguard the environment. Promoting green projects will eventually reduce environmental risks and ecological degradation, thus ensuring sustainable development.

Sustainable Development Initiatives: (CMSME)
(Cottage, Micro, Small and Medium Enterprises)



Ms. Archana Mondal

A homemaker lives in Kailashgonj, Dacope, Khulna adjacent to Sundarban. Most of the inhabitants of the locality are poverty stricken because of its inhospitable geographic location. Ms. Archana, despite trying her best to minimize poverty could not come out of it. Meantime, she came to know about SABINCO's Micro Finance program to the root level women entrepreneur. Under micro finance program of SABINCO, Ms. Archana has availed a loan of TK. 50,000/- for cattle rearing and developing a cowshed. Through availing loan she has bought few cattle and started rearing them. She is hopeful to earn profit by selling cow/goat.

Sustainable Development Initiatives: (CMSME)
(Cottage, Micro, Small and Medium Enterprises)



Ms. Marjina Begum

Another homemaker from the same area was primarily engaged in household chores and seasonal works. Under microfinance program of SABINCO, she availed a loan of Tk. 60,000/- for small scale shrimp and fish farming. With this amount she bought shrimp and white fish fries and stocked in the pond. The fries are growing and she is expecting to earn a good profit by selling shrimps and white fishes after harvesting.

Sustainable Development Initiatives: (CMSME)
(Cottage, Micro, Small and Medium Enterprises)



Ms. Rina Ray

A homemaker who maintains a very small grocery shop at Kailashgonj. Due to insufficient fund, she could not buy enough items for grocery shop. In the meantime, she came to know about SABINCO's financial services to the root level people at Kailashgonj. Under microfinance program of SABINCO, she availed a loan of Tk.50,000/- for purchasing grocery items. As the nearest local market is far away, people are now going to Ms. Rina's shop for buying grocery items. Thus, expansion of her business is generating more revenue.

35th Annual General Meeting (AGM) in Progress





Ahmed M. Al-Ghannam
Chairman, SABINCO

Chairman's Message

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Dear Shareholders,

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

A very warm welcome to you all to the 36th Annual General Meeting of SABINCO. On behalf of the Board of Directors and myself, I would like to express my heartfelt thanks and profound gratitude to all of you for your interest, support and patronage in achieving SABINCO's continued success.

It is indeed heartening to note, that despite rising challenges in the global economy, Bangladesh economy is doing well and maintaining an impressive track record of growth and development.

In the past decade, the economy has grown above 6% per year, while human development progressed along with economic growth. The GDP growth is estimated at 8.15% in FY 2018-19, significantly up from 7.86% in FY 2017-18. The per capita national income increased nearly 10% to US\$ 1,909 in FY 2018-19.

The macro economy has remained stable with the continuance of fiscal prudence, moderate inflation, and sufficient foreign

exchange reserves. Point-to-point inflation in December 2019 reached at 5.75%. The foreign exchange reserve stood at US\$ 32.7 billion mark.

During the year under review, business focus and strategy of the Company remained concentrated on sustainable business growth, new business initiatives and above all its implementation. During the year 2019, the Company made new financing commitment of Taka 1,200 million and disbursed Taka 1,448.39 million. In addition, an amount of Taka 1,612.61 million is awaiting disbursement in 12 new projects.

Our Company today enjoys the benefit of a strong Balance Sheet with diversified revenue base. As on 31 December 2019 the total Assets of the Company stands at Taka 8,264.50 million and the total Equity stands at Taka 7,026.95 million. Besides, the Company earned a Net Profit of Taka 337.95 million during 2019.

Relentless efforts continued towards recovering the dues and as a result of

this drive the recovery was at an impressive 88% at the end of 2019.

The Company continues to pay significant amount as dividend to both the Governments.

SABINCO's Corporate Governance has been designed to ensure transparency and accountability across the enterprise, and I firmly believe that strong supervision and control measures will ensure sustainable growth in the coming years.

SABINCO is also proactively engaged in Corporate Social Responsibilities (CSR) activities focusing in the areas of education, health care and helping the distressed people.

I would like to convey my sincere thanks to my fellow members of the Board for their co-operation and support for the overall improvement of SABINCO and my gratitude to both the Governments of the Kingdom of Saudi Arabia and the People's Republic of Bangladesh for their collective wisdom and continued support.

I also convey my thanks and good wishes to the Management and all employees who have contributed to the continued growth and success of the Company.

I conclude by conveying my very sincere and special thanks to our respected shareholders, valued customers, patrons, well-wishers, Bangladesh Bank and other regulators for their guidance, support and co-operation.

With warm regards,

Sincerely yours



(Ahmed M. Al-Ghannam)
Chairman





Directors' **Report**



Directors' Report



Dear Shareholders,

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

The Board of Directors of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) take this opportunity to welcome you all to the 36th Annual General Meeting of the Shareholders and have immense pleasure to present before you the 36th Annual Report on the Performance of the Company together with the Audited Balance Sheet and Profit and Loss Account for the year ended on 31st December 2019 in compliance to Section 183 of the Companies Act 1994 and Article 67 of the Articles of Association of the Company.

Global Economy:

Global GDP growth has been estimated at 2.4 percent in the year 2019. Global growth in 2019 was 0.6% lower compared to 2018. Low growth in global trade and investment affected both Advanced Economies and Emerging Market and developing economies. Global trade growth in 2019 is estimated at 1.4 percent - a sharp decline from earlier year.

In major economies, activity was slower than expected. Advanced economies suffered from weak manufacturing activities. Trade tensions has also weighed on activity in the United States and China. Issues related to uncertain

trade policy, geopolitical tensions, and weak performance of few emerging market economies hampered global economic activity especially in manufacturing and trade in the second half of 2019. Further, social unrest in several countries, weather-related disasters etc. add further challenges to global economy.

US economy experienced reduced growth (2.3 percent) in 2019 with slowing investment & export and weak manufacturing sector and forecasted to decline further in 2020.

Euro Economy was sluggish as growth estimated to 1.1 percent in the year 2019. Falling demand troubled the industrial sector. Brexit related uncertainty also hindered economic activity. Growth is forecasted to be slow in 2020.

Japan's growth is estimated at 1.1 percent in 2019 and may decline further in 2020. Although Government is providing significant support, economy is facing challenges arising from weakness in manufacturing and exports and increase in value added tax recently.

Emerging Market and Developing Economy has experienced weaker performance as industrial production,

trade flows and investment were decelerating. However, the growth is estimated at 3.5 percent for 2019.

Growth has slowed more than expected in China and the economic growth is estimated at 6.1 percent in 2019. Trade flows have weakened substantially along with low growth in Industrial production. Declining imports partly reflecting slowing domestic demand. Growth is forecasted to be slow in 2020.

Declining domestic demand, stressed nonbank financial sector and decreasing credit growth contributes to India's decelerating growth in 2019.

Prices of most commodities fell in 2019, mainly reflecting the deterioration in the growth outlook. Forecasts have been revised down for most commodities in 2020. Despite production cuts by OPEC and constrained production because of geopolitical factors, weakening oil demands lowered average oil prices in 2019 (\$61/bbl) compared to 2018 and forecasted to decline in 2020 and 2021. Price of most base metals weakened in the second half of 2019, primarily reflecting weaker global growth and trade tensions.

Source: i. World Bank. 2020: Global Economic Prospects, January 2020. ii. International Monetary Fund: World Economic Outlook Update January 2020.

Bangladesh Economy:

The economy of Bangladesh is the 39th largest in the world in nominal terms and 29th in terms of purchasing power parity. Bangladesh achieves Ba3 (Moody's) and BB-(Standard and Poor's) ratings which denote stable outlook for the 10th consecutive years. Fitch Ratings also affirmed BB- with stable outlook for the 7th time.

In the past decade, the economy has grown above 6 percent per year, and human development moved along with economic growth. The GDP growth is estimated at 8.15 percent in FY 2018-19, significantly up from 7.86 percent in FY 2017-18. The per capita national income increased to US\$ 1,909 in FY 2018-19, up by US\$ 158 a year earlier.

Bangladesh has also achieved increase in life expectancy currently at 72.3 years, and literacy at 73.2% while infant mortality has reduced significantly at 22 per 1,000 live births. Poverty rate has been estimated at 20.5% in FY 2018-19.

The macro-economy has remained stable with the continuance of fiscal prudence, moderate inflation, and sufficient foreign exchange reserves. Point-to-point inflation in December 2019 reached at 5.75 percent.

The foreign exchange reserve stands at US\$ 32.7 billion mark (December 2019). Moreover, Bangladesh Bank's monetary policy objectives have been directed at lowering the interest rates for both deposits and loans in the banking industry, which is expected to encourage further investment in the country.

Service is the largest sector in terms of percentage contribution to GDP, which comprises 51.35 percent of the gross domestic product. Service sector growth in 2018-2019 was 6.78 percent in comparison to 6.39 percent in 2017-2018. It includes all services activities such as trade service, transport, storage, communication, real estate, public administration and defense, education, health, financial intermediations.

Industrial sector contributed around 35 percent of the country's gross domestic product and the growth of this sector in

2018-2019 was 12.67 percent in comparison to 12.06 percent in 2017-2018. Growth in industrial sector came from electricity, gas & water supply, mining & quarrying and the manufacturing sector.

Agriculture continues to make substantial contribution to the Bangladesh Economy which comprises 13.65 percent of the country's GDP. The country is situated in one of the most fertile regions on the earth, with the principal cash crops being rice, jute, tea, wheat, cotton and sugarcane.

The RMG & Knitwear industry, the largest industrial sector of the country employing around 4.4 million people directly and 10 million indirectly and contributed around 84% of Bangladesh's total export earnings of US\$ 40.53 billion in the Fiscal year 2018-19.

Besides, Bangladesh was the third in world ranking after China & India for inland fish production in 2018, according to report of Food and Agriculture Organization (FAO). In FY 2018-19, around \$ 455 million was earned by exporting 68,655 tons of fish and fish products.

Bangladesh has huge potentials for investment because of its geographical location. It has easy connectivity with East & South Asia that includes two emerging economic giants of the world: China and India. The southern side opening to the Bay of Bengal facilitates navigation across the world to explore the benefits of the untapped blue economy. Thus Bangladesh can be a hub of regional connectivity and attract investments.

Bangladesh Government is emphasizing to create favorable investment climate

through setting up economic zones. The initiative to establish economic zones aim at encouraging industrialization, generating employment opportunities augmenting production and ensuring export promotion and diversification. Establishment of 88 economic zones (comprising 59 Governments and 29 private) in different parts of the country is underway. Two economic zones had been exclusively earmarked for Japanese and Chinese investors.

The Government has also taken massive plan for increasing electricity generation capacity. Current installed power generation capacity of the country stands at 22,727 MW (December 2019).

Operational Activities:

BUSINESS REVIEW:

SABINCO continues to make its presence in the economic development of the country through financing in different sectors. SABINCO continued to record overall satisfactory financial and operational performance during 2019 in terms of business growth, new business initiatives and its implementation.

Our loan portfolio remained well diversified among some 10 industrial sectors. The financed projects are in the Agriculture, Cement, Electronics & Electrical, Food & Beverage, Iron Steel & Engineering, Power, Textiles, Telecom and Information Technology, Trade and commerce.

Total investments by SABINCO in terms of loan, equity and bond stood at Taka 4,466.45 million at the end of 2019 against Taka 3,963.56 million at the end of 2018. As on 31st December 2019 the total assets of SABINCO stood at Taka 8,264.50 million.

Capital Market Operation:

During the year under review, the turnover and the bench mark index (DSEX) were in declining trend in the secondary market. The regulators and the other stakeholders are continuously trying to re-stabilize the market through infrastructure development, policy dialogue and formation, innovation, and implementation of advanced technologies.

The Market broad index which was 5,465.25 (DSEX) at the beginning of the year, closed at 4,452.93 points at the end of the year and the market capitalization, which was Taka 3,912.84 billion in January 2019, closed at Taka 3,395.51 billion in December 2019.

During the year under report, SABINCO was able to sell shares worth Taka 1.62 million (acquisition cost) from its portfolio and was able to make a capital gain of Taka 17.07 million. In addition, during the year a sum of Taka 0.78 million as cash dividend and stock dividend of Taka 0.88 million (estimated value) was received from various companies.

Status of Recoveries:

At the end of 2019, SABINCO had 45 projects in its portfolio. During the year 2019, total collectible dues were Taka 1,470 million from various projects and investment, of which an amount of Taka 1,287 million was recovered, which is 88% of the total dues.

Resources:

SHAREHOLDERS' EQUITY:

Shareholders' equity includes the paid-up capital, general reserve, statutory reserve, revaluation reserve and retained earnings. The Authorized and Paid-up capital of SABINCO remains unchanged

at Taka 2,106.08 million or equivalent to US Dollar 60 million divided into 20,000 shares of US Dollar 3,000 each as at 31 December 2019, of which each Government subscribed 10,000 shares in the capital of the Company.

As per Financial Institution Act 1993, 20 percent of the Profit is required to be transferred to Statutory Reserve and with this latest allocation; the Statutory Reserve increased from Taka 1,044.84 million to Taka 1,112.84 million.

So far SABINCO has built-up General Reserve of Taka 1,629.42 million from its profits.

The total Shareholder's Equity as on 31st December 2019 stood at Taka 7,026.95 million compared to Taka 6,898.99 million for the previous year.

Cash Resources:

SABINCO had deposits of Taka 1,240.85 million and US\$ 0.478 million as on 31 December 2019, as compared to Taka 1,530.66 million and US\$ 0.549 million as on 31 December 2018 (previous year).

Operational Results:

SABINCO during 2019 also continued to maintain more than the required provision against loans, investments and other related exposures, amounting to Taka 457.56 million in 2019 compared to Taka 437.56 million in 2018.

Net profit for 2019 stood at Taka 337.95 million as compared to Taka 338.29 million during 2018.

Thus, the earnings per share stood at Taka 16,898 in 2019 while Return on Investment and Return on Asset stood at 4.81% and 4.14% respectively.

Appointment of Auditors:

Pursuant to Clause 24(1) of the Financial Institutions Act 1993, and as per Articles 75 and 76 of the Articles of Association of the Company, Statutory Auditors are to be appointed annually at the Annual General Meeting. The existing auditors, M/s. Khan Wahab Shafique Rahman & Co., Chartered Accountants, on their completion of three years tenure shall retire from office and a new auditor has to be appointed for the year 2020.

From the short listing of prospective auditors, M/s. S. F. Ahmed & Co, Chartered Accountants, may be considered for appointment as new Statutory Auditor. The firm has quoted a remuneration of Tk. 177,100 (last year audit fee) and accordingly we may appoint M/s. S. F. Ahmed & Co, Chartered Accountants as Auditor of the Company for the year 2020.

Employees and Establishments:

The total strength of employees of the Company during the year stood at 39 - 26 officers and 13 staff. During the year, 1 employee resigned.

Appropriations:

SABINCO earned a net Profit of Taka 337,953,532 during the year 2019.


Further, as per the requirement of the Financial Institution Act, 20% of the net profit amounting to Taka 68.00 million is proposed to be transferred to Statutory Reserve. Additionally, an amount of Taka 59.95 million is being proposed to be transferred to General Reserve and Taka 210.00 million as cash dividend, payable to the shareholders.

In view of the above propositions, the available Profit of Taka 337,953,532 is recommended to be apportioned as under:

	Taka
Statutory Reserve	68,000,000
General Reserve	59,953,532
Proposed Dividend	210,000,000
Total Appropriation	337,953,532

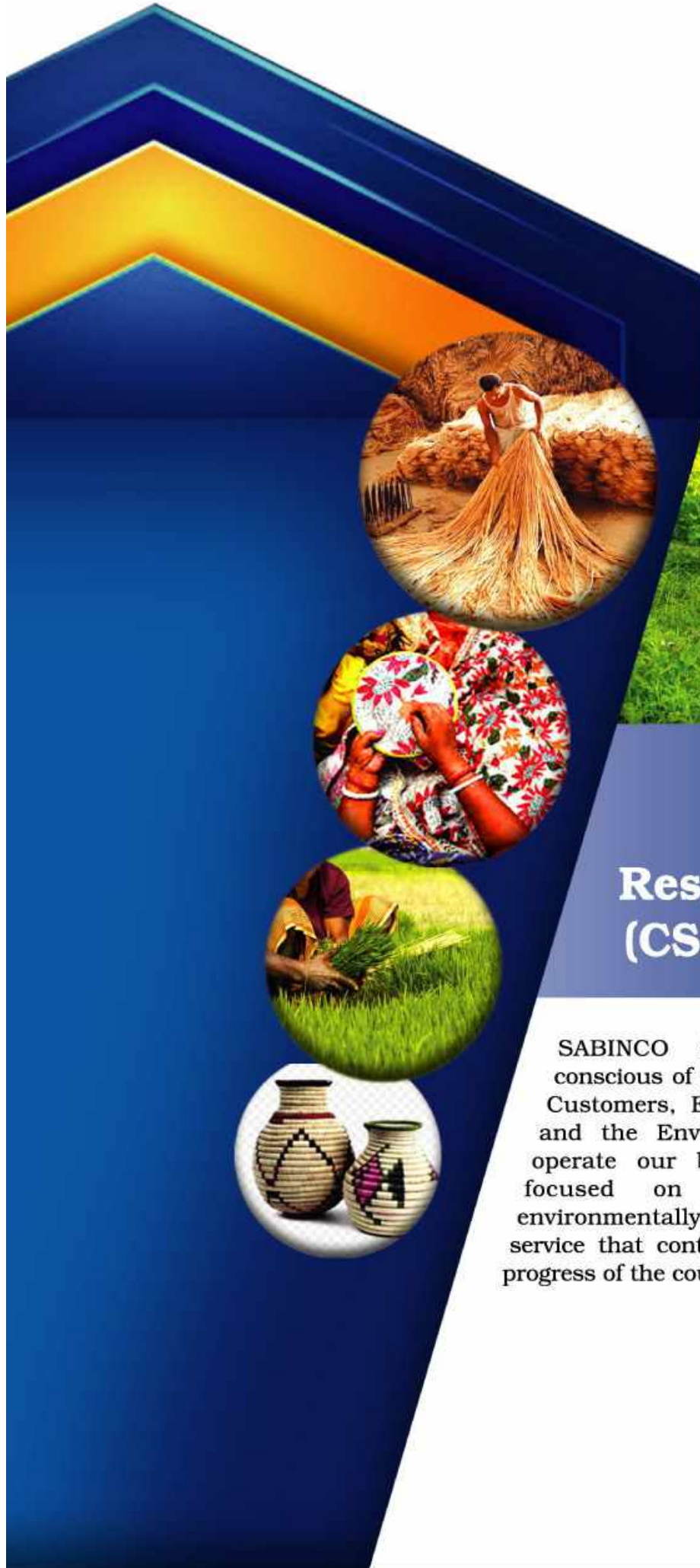
Sincerely,

On behalf of the Board of Directors



(Ahmed M. Al-Ghannam)
Chairman





Corporate Social Responsibilities (CSR) Activities

SABINCO is fully aware and conscious of its responsibilities to our Customers, Employees, Stakeholders and the Environment in which we operate our business. We remain focused on offering a sound, environmentally safe and responsible service that contributes to the economic progress of the country as a whole.

On a sustained basis,
SABINCO continues to undertake
several CSR activities supporting
health care, education and
helping the distressed people
of our society from the elements
of harsh nature.



These initiatives have been in conjunction with following reputable organizations operating in various fields; thereby ensuring that benefits accrues to those for whom it is intended:

Centre for the Rehabilitation of the Paralyzed (CRP)

Centre for the Rehabilitation of the Paralyzed (CRP) is a non-profit, non-government organization which treats and rehabilitates disabled people regardless of their economic means.

Some initiatives of CRP





পক্ষাঘাতগ্রস্তদের পুনর্বাসন কেন্দ্র (সিআরপি)
Centre for the Rehabilitation of the Paralysed (CRP)
 a project of the Trust for the Rehabilitation of the Paralysed
Head Office: CRP- Savar, CRP- Chapain, Savar Dhaka-1343, Bangladesh
 Tel: +880 02 7745464-5, Fax: 7745069, E-mail: contact@crp-bangladesh.org, www.crp-bangladesh.org

Ref: CRP/FD/0301/SABINCO/16.08.2020

Date: 16 August 2020

To
 Mr. Ahmed Ehsanul Karim
 Managing Director (Acting)
 Saudi-Bangladesh Industrial and Agricultural Investment Company (SABINCO) Ltd.
 79, Nikunja-2, Dhaka-1229.

Dear Sir,

Greetings from the Centre for the Rehabilitation of the Paralysed (CRP)!

Please kindly find the detail report of your kind support to CRP from July 2011 to March 2020.

S. N.	Year of Donation	Donated Amount (BDT)	Use of the fund
01	July 2011 – June 2012	BDT 500,000/-	The amount has used as the partial construction cost of the conference room of CRP-Savar. Now this room is being used to arrange meetings and workshops. Occasionally this room is rented for different purpose and the income is used for supporting the poor patients with disabilities.
02	July 2012 – June 2013	BDT 400,000/-	The amount has used for developing patient database management and installing a water pump. Now we can store patients detail and provide appointment through computerized database management system. Newly installed water pump providing safe water support to the patients, students, trainees and others.
03	July 2013 – June 2014	BDT 300,000/-	This donation has used to provide rehabilitation support for six Rana Plaza victims.
04	July 2014 – June 2015	BDT 500,000/-	74 persons with disabilities have received partial support for Prosthetic and Orthotic devices. One poor woman with disabilities has received food support from your donation also.

CRP-Mirpur, Dhaka, Plot: A/S, Block-A, Section- 14, Mirpur, Dhaka- 1206, Tel: 02 9025624, Fax: 02 9025661, Email: dgm-mirpur@crp-bangladesh.org, CRP-Ganakbari, PO: Dhameena, P.S. Ashula, Savar, Dhaka, Tel: 02 7799227, Email: ganakbari@crp-bangladesh.org, AK Khan CRP- Chittagong, Kalurghat, Mohra, Chadgan, Chittagong, Tel: 031-2573412, Email: chittagong@crp-bangladesh.org, Ahsar Hussain CRP- Rajshahi, House no: 11, Mohoribathan, Rajshahi Court Pajpara, Rajshahi, Tel: 0721 771709, Email: mjshahi@crp-bangladesh.org, CRP Barishal-CARSA Foundation Centre, Syed Enayot Kabir - Nayer Ara Kabir (SEKNAR) Welfare Trust Building, 12 Garpara, Kashipur Chowmata, Kashipur, Barishal, Tel: 0431-64858, Email: barisal@crp-bangladesh.org, CRP- Moulvibazar, 036 Small Market A/S Road, Bancha Bazar, Tel: 0811 53869, Email: moulvibazar@crp-bangladesh.org, CRP- BAU Branch, Mymensingh, Mobile: 01730 056510, E-mail: mymensingh@crp-bangladesh.org

Acknowledgement from CRP

CRP



পক্ষাঘাতগ্রস্তদের পুনর্বাসন কেন্দ্র (সিআরপি)
Centre for the Rehabilitation of the Paralyzed (CRP)
 a project of the Trust for the Rehabilitation of the Paralyzed
Head Office: CRP- Savar, CRP- Chapain, Savar Dhaka-1343, Bangladesh
 Tel: +880 02 7745464-5, Fax: 7745069, E-mail: contact@crp-bangladesh.org, www. crp-bangladesh.org

Ref:	Date:		
05	July 2015 – June 2016	BDT 400,000/-	With the donation we have provided partial support to 8 Cerebral Palsy children and 4 spinal cord injured patients for their treatment cost. We have also provided assistive devices to 9 patients with the donation in 2015-16.
06	July 2016 – June 2017	BDT 450,000/-	We have provided partial support for treatment to 11 patients and mobility & assistive devices to 28 persons with disabilities.
07	July 2017 – March 2018	BDT 450,000/-	Partial support provided to 5 persons with disabilities for their treatment and 32 persons with disabilities for their mobility and assistive devices.
08	December 2018 – March 2019	BDT 600,000/-	With this kind support we have bought two IRR therapy lamp used to relief muscular pain. These lamps help to serve a lot of patients. 13 more patients have received income generating activity support to be economically independent from your donation also.
09	December 2019 – March 2020	BDT 500,000/-	2 patients have received treatment support and 100 persons with disabilities will receive Hollow Mattress and a child with disability is receiving study cost support for the year 2020. Hollow Mattress helps to prevent pressure ulcer and decrease the possibility of death of the spinal cord injured patients.

Warmest thanks for your cooperation and continuous support. The poor patients from CRP are getting treatment and required assistive and mobility devices with your most generous donation.


 Md Shafiq-ul Islam
 Executive Director
 CRP



Initiatives of CRP

Profile of Md. Sumon Ahmed (a Man with GBS)




1	CRP Treatment ID. No:	20.01.012147	
2	Name	Md. Sumon Ahmed	
3	Father's Name	Md. Sultan Mahmud Howlader	
4	Mother's Name	Mrs. Tara Begum	
5	Age	31 years	
6	Marital Status	Married	
7	Previous Profession	Garments Worker	
8	Family Member	4 members (Himself, wife, 1 daughter, 1 Son)	
9	No. of earning member	He was only earning member.	
10	Mobile Number	01971-425096	
11	Present Address	Vill.	Modhupur
		P.O.	Dhamsona
		Upazilla	Savar
		District	Dhaka
12	Permanent Address	Vill.	Same as present address
		P.O.	
		Upazilla	
		District	
13	Diagnosis	GBS (AMAN) e- EPIDIDYMOORCHITIS	
15	CRP treatment begins	02.06.20	
16	Present Condition	He has been taking subsidies ☐ Physiotherapy, Occupational therapy and ☐ Speech & Language Therapy	
17	Future plan	He has wish to return his previous work (if cure).	
18	Need contribution /sought helps	☐ Treatment cost	
		☐ Assistive devices cost	
		☐ House rent	

HI-CARE

Society for Education and Care of Hearing Impaired Children of Bangladesh (HI-CARE) was established with a view to educate the hearing impaired children for learning speech and language under auditory oral method with an ultimate goal to integrate them in the mainstream education system.

Acknowledgement from HI-CARE



HICARE
 SOCIETY FOR EDUCATION AND CARE OF HEARING IMPAIRED CHILDREN OF BANGLADESH
 House No. 3/2, North Road, (Bhuter Goli) Dhanmondi, Dhaka-1205, Bangladesh
 Ph: 880-2-9660146, 01719064890, E-mail : hicare@dhaka.net, Web : www.hicarebd.org

“শিল্প কর্ম দূর না,
 উন্নয়ন সফলতা পথে
 গণ-ক কল্যাণ”

UTILIZATION REPORT OF THE DONATION SO FAR RECEIVED FROM SABINCO

SUMMARY OF DONATION:


YEAR	DONATION RECEIVED (Tk)	GRAND TOTAL UPTO (Tk)
2010	100,000.00	100,000.00
2011	250,000.00	3,50,000.00
2012	300,000.00	6,50,000.00
2013	300,150.00	9,50,150.00
2014	300,000.00	12,50,150.00
2015	3,00,000.00	15,50,150.00
2016	3,50,000.00	19,00,150.00
2017	3,50,000.00	22,50,150.00
2018	4,00,000.00	26,50,150.00
2019	3,50,000.00	30,00,150.00

SUMMARY OF UTILIZATION

***HICARE'S MISSION:**

1. To inspire and motivate parents of all hearing impaired children between 2 and 12 years of age to bring their children under speech training and education system.
2. To provide education for the hearing impaired children to enable them to integrate with main stream education of the Country.
3. To establish a country-wide network through deaf camps to provide facilities for all kinds of audio-logical assessments, supply of hearing aids, ear moulds and repair services to hearing impaired persons of all ages.
4. To create public awareness against the causes of deafness.
5. To provide support to the poor hearing impaired persons of all ages to get proper audio-logical assessment using modern technology.
6. With that aim in succession we established 11 Hicare Schools & 4 Hearing Centre all over Bangladesh.
7. Total 600 students are studying in these Schools
8. 94 nos. of trained Teachers & Staffs are engaged for 600 students.
9. Nearly 90% of the students are poor.
10. About 1.6 million children of Bangladesh are now estimated hearing impaired and for these reason they are mostly deprived of any access to even the basic education. In respect of percentage it is nearly 1% of the total population. Keeping this reality our aim is to establish more schools along with Hearing Centre so as to educate the hearing impaired children in large numbers to able them to enter in main stream education.

Sabinco




Engr. Md. Liaquat Ali
 Executive Secretary
 Hicare, Dhaka.

CSR Activities

HI-CARE


Acknowledgement from HI-CARE



HICARE
SOCIETY FOR EDUCATION AND CARE OF HEARING IMPAIRED CHILDREN OF BANGLADESH
House No. 3/2, North Road, (Bhuter Goli) Dhanmondi, Dhaka-1205, Bangladesh
Ph: 880-2-9660146, 01719064890, E-mail : hicare@dhaka.net, Web : www.hicarebd.org

“বরিত্তি কর্তৃক যত্ন,
উপহৃত সাহেবতা পোলে
কো-এ কথ্য বসুধে”

2019	3,50,000.00	To meet up yearly tuition fees of poor students of the following Hicare Schools with number of beneficiaries:		
		Hicare School	No of poor students	Monthly rate of tuition fee (Tk)
		Satkhira	5	1500.00
		Chapainawabgonj	3	54,000.00
		Phulbari (Dinajpur)	1	18,000.00
		Bhola	3	54,000.00
		Fandpur	4	72,000.00
		Tangail	4	72,000.00
		Grand total		3,60,000.00



Engr. Md. Liaquat All
Executive Secretary
Hicare, Dhaka.

Some initiatives of HI-CARE



Some initiatives of HI-CARE



CSR Activities

Anjuman Mufidul Islam


Anjuman Mofidul Islam is an organization rendering humanitarian services to the distressed people by way of providing free ambulance, medical treatment, running orphanages and rendering funeral services for unclaimed deceased.

Acknowledgement from Anjuman Mufidul Islam

"ঈদগেও সাধী, মরণেও সাধী"

Established:

- Chittilla 1995
- Dhaka (HD) 1947
- Dinagar Br. 1974
- Chittagong Br. 1979
- Satkhira Br. 1980
- Comilla Br. 1981
- Moulana Br. 1981
- B. Bara Br. 1984
- Metrokona Br. 1984
- Sirajgonj Br. 1984
- Jessore Br. 1990
- Rashtali Br. 1995
- Gaibandha Br. 1995
- Bagherhat Br. 1995
- Feni Br. 1995



আঞ্জুমান মুফিদুল ইসলাম
(ইসলামি জনকল্যাণ সংস্থা)
ANJUMAN MUFIDUL ISLAM

Registered under the Societies' Regulation Act XXI of 1909

সদর দপ্তর কার্যালয় : ৩৩, মতিঝিল, ঢাকা-১০০০, ফোন : ৯৯১২০০০, ৯৯১২০০১
E-mail : anjuman.m.i.bd@gmail.com, www.anjumanmufidul.org
কলকাতা কার্যালয় : ৪৩, অক্ষয় কুমার ইন্ডাস্ট্রিয়াল এস্টেট, লস্করটোল, কলকাতা-৭০০০১৬
শ্রীহরীপুর কার্যালয় : ৪৩, এন কে পল ভেদে, শ্রীহরীপুর, গুৱাহাটী-৭৮১০০৪, ফোন : ৯৪৪২৩৩৩/৯৪৪২৩৩৪
মুম্বাই কার্যালয় : ৩৩৩, বিরা হুদাওয়ার্ডস, মাস্টার-২২২৪, ফোন : ৯২৪৪০০০/৯২৪৪০০১
কেন্দ্রীয় কার্যালয় : ৩/বি, পূর্ব মেজদারী রাস্তা, কলকাতা, ফোন-৯২৪২০০০, ফোন : ৯২৪২০০১

Established:

- Jhenaidah Br. 1999
- Lalmonirhat Br. 1999
- Patna Br. 2000
- Habiganj Br. 2001
- Rajshahi Br. 2001
- Thakurgaon Br. 2003
- Narayanganj Br. 2018
- Joyupurhat Br. 2003
- Jamalpur Br. 2003
- Firozpur Br. 2004
- Dhaka Br. 2005
- Narail Br. 2005
- Chuadanga Br. 2003
- Naogaon Br. 2008

স্মারক নং : সস্ব/স : সাবেক প্রিন্সিপাল-১২/২০-১১৪২১-(২) তারিখ : ২৪/৩/২০২০

Mr. Ahmed Ehsanul Karim
Managing Director (Acting)
SABINCO
79 Nikunja-2
Dhaka.

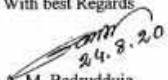
Dear Sir,

Assalamu Alaikum Warahmatullahi Wabarakatuhu.

Please find below yearwise details of the usage of your donations to Anjuman Mufidul Islam.

SL	Year of Donation	Donated Amount (BDT)	Detail use of the donation fund
1.	2019	3,00,000	Burial of unclaimed dead bodies, free ambulance services, running of educational institutes for the destitutes and disadvantaged children, running of orphanages, arrangement of free medical camps etc.
2.	2018	5,00,000	-Do-
3.	2017	3,04,500	-Do-
4.	2016	3,00,000	-Do-
5.	2015	2,45,000	-Do-
6.	2014	2,75,000	-Do-
7.	2012	3,00,000	-Do-
8.	2011	2,50,000	-Do-
9.	2010	2,00,000	-Do-

Thank you and looking forward for your further cooperation and support to Anjuman Mufidul Islam.

With best Regards

 24.3.20
 A.M. Badrudduja
 Executive Director
 Anjuman Mufidul Islam

Anjuman Mufidul Islam

Some initiatives of Anjuman Mofidul Islam



**Dividend for the year 2018 of Tk.105 million
handing over ceremony to the Hon'ble Finance Minister
Mr. A H M Mustafa Kamal, FCA, MP**



চালান ফরম

১ম (পূর্ণ) কপি ২য় কপি

১৭, আর ফরম নং ৬ (এস, আর ৩৭ ট্রাইব)

চালান নং: _____ তারিখ: _____

বাংলাদেশ ব্যাংক/সেন্সিটী ব্যাংক: Dhaka জেলায়: Motijheel শাখার টাকার আধা সেক্যার চালান

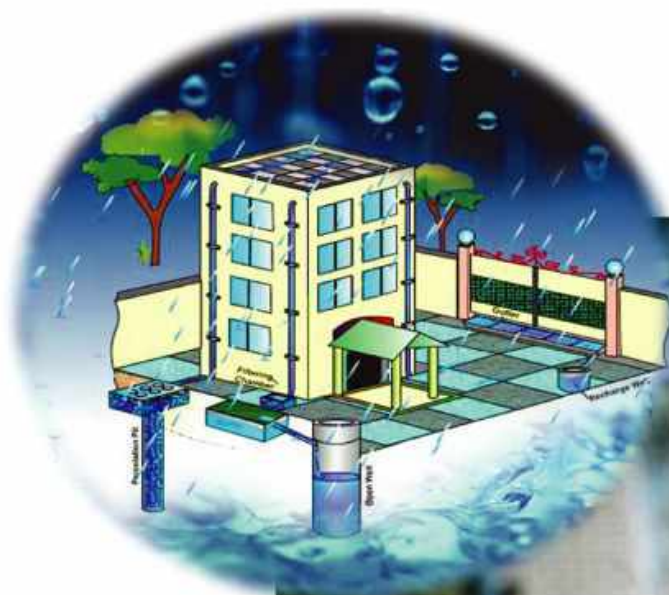
কোড নং:

পুরাতন কোড: ১ ১ ২ ০ ৫ ২ ৫ ৭ ৯ ১ ৫ ০ ১

নতুন কোড: ১ ১ ১ ২ ০ ১ ১ ৩ ৫ ০ ০ ১ ০ ০ ০ ১ ৪ ১ ২ ২ ০ ১

জমা প্রদানকারী কর্তৃক পূরণ করিতে হইবে				টাকার অংক		বিজ্ঞাপনের নাম এবং ইউজনের পুঁজীকেন- কারী কর্মকর্তার নাম, পদবী ও সম্মান :
দাতার মারফত গ্রহণ হইল তার নাম ও ঠিকানা	যে ব্যক্তি/স্বত্বাধিকারের পক্ষ হইতে টাকা গ্রহণ হইল তার নাম, পদবী ও ঠিকানা	কি কালন জমা দেওয়া হইল তার বিবরণ	মুদ্রা ও নোটের বিবরণ/ক্রমিক নং/তারিখ ও চেকের বিবরণ	টাকা	পয়সা	
Saudi-Bangladesh Industrial and Agricultural Investment Co. Ltd. (SABINCO), Plot No. 79, Nikunja-2, Dhaka-1229	Saudi-Bangladesh Industrial and Agricultural Investment Co. Ltd. (SABINCO), Plot No. 79, Nikunja-2, Dhaka-1229	Dividend for the year 2018.	Cheque No. 5601372 dated 08-07-2019, The City Bank Limited, Dhaka, Bangladesh.	10,50,00,000	00	
টাকা (কথায়) Taka ten crore fifty lac only.				১০,৫০,০০,০০০	০০	
টাকা পাঠের তারিখ: তারিখ: 08-07-2019				১৫ JUL 2019		

মহাপরিচালক
বাংলাদেশ ব্যাংক/সেন্সিটী ব্যাংক



Water Purification and Rain Water Harvesting facilities established by SABINCO

Villages adjacent to the Sunderbans have no access to potable/drinking water as surface and ground water of the areas are saline in nature. Villagers living in these areas are at health risk, as rain waters collected in earthen ponds, are the only source of waters for their domestic/household uses.

To make available potable waters in some selected and harsh areas, SABINCO initiated setting up of three water desalination units - one unit each at Kailashgonj and Katakhal union under Dacope Upazilla and the other one at Hodda union under Koira Upazilla, Khulna.

Additionally, amongst the alternative sources of potable water, rainwater harvesting is the most economical solution to mitigate drinking water crisis for the villagers adjoining the Sundberban region. SABINCO also has constructed two rainwater harvesting units in its project at Kailashgonj and Hodda.



Kailashgonj, Dacope Upazilla, Khulna

- ◆ Due to growing demand for potable waters in the area, SABINCO has also established absolutely **"Green Rainwater Harvesting Unit"** at Kailashgonj, Khulna. Rain water is collected in a specially built tin roofing having catchment area of 1,260 sft. The storage capacity of the unit is 60,000 liters. The water so collected is purified initially by an overhead filter containing sand, gravel, activated carbon etc. and then passed through a UV filter. All the electrical appliances in this unit are powered by solar energy only.
- ◆ SABINCO established the **first green "Water Desalination Unit run on Reverse Osmosis Process"** at Kailashgonj in association with BSRM in December 2015. The unit has a capacity to deliver 2,500 liters of potable water per day. About 250 families living in the nearby Kailashgonj and Ramnagar villages receive water daily from this unit mainly for drinking purpose free of cost.



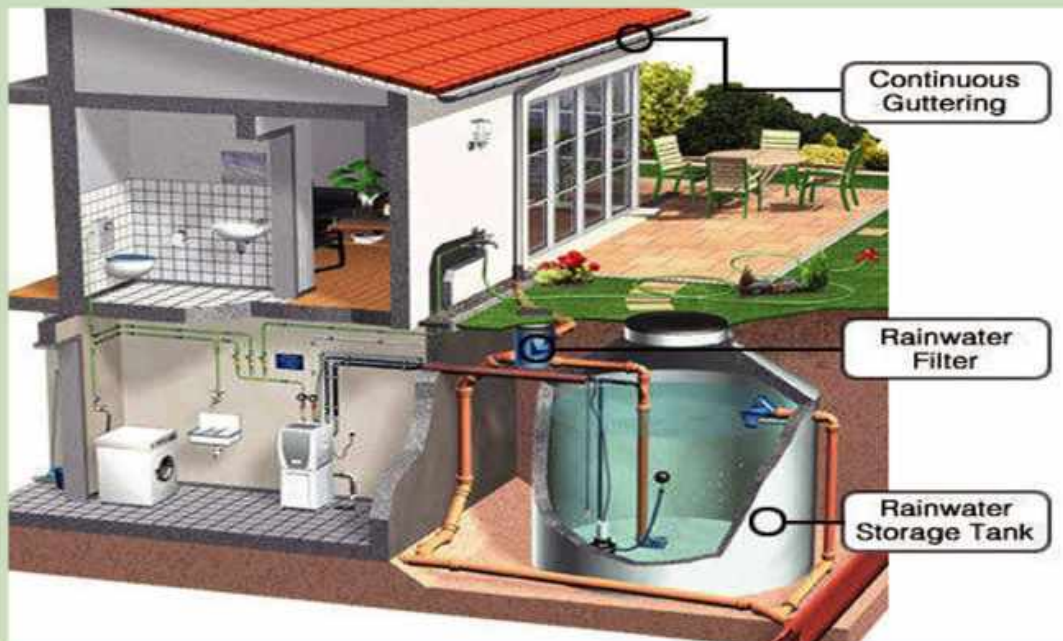
Hodda, Koira Upazilla, Khulna:

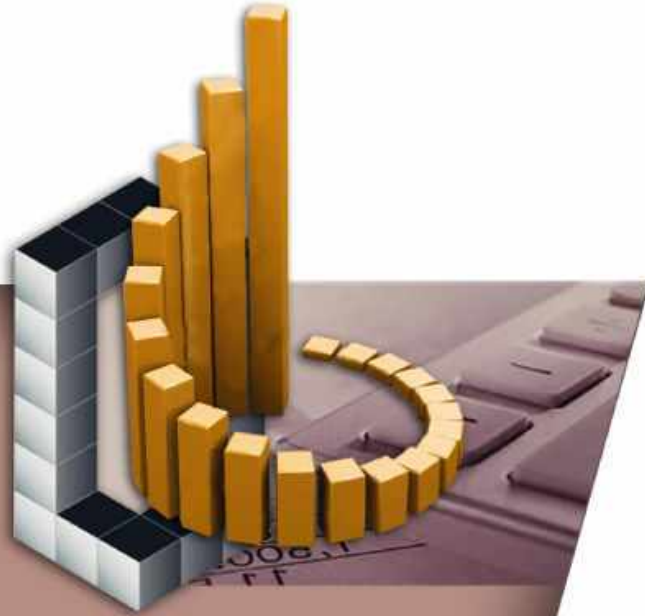


- ◆ At Hodda, another "**Green Rainwater Harvesting Unit**" has been recently completed. In this case, the roof-top of the building has been used as the rainwater catchment area and the water so collected pass through an overhead filter, similar to the one described above, and finally purified water is dispensed free of cost. The storage capacity of this unit is 40,000 liters in underground concrete tank.
- ◆ Additionally, a pond at Hodda has been freshly excavated which holds about 3,000 cubic meter of rainwater, which is also dedicated for the local villagers. Process is underway to set up another **green "Reverse Osmosis Water Purification Unit"** at Hodda. When completed, this unit will also supply pure potable waters not only to the villagers but also to the fishermen, honey collectors, tourist and forest activists alike.

Katakhali, Dacope Upazilla, Khulna:

A 1,000 liter per day capacity green "Reverse Osmosis water desalination unit" has been implemented at Katakhali under Dacope Upazilla. The unit is supplying pure drinking water to the local inhabitants.





Financial Highlights

Financial Performance

Graphical Presentation

Financial Highlights

as at 31 December 2019

Particulars	Amount in Taka	
	2019	2018
Paid up Capital	2,106,084,305	2,106,084,305
Total Capital	6,089,742,602	5,960,013,396
Capital surplus/(deficit)	5,089,742,602	4,960,013,396
Total assets	8,264,499,506	8,044,249,992
Total loans and advances	3,547,695,664	2,791,379,201
Total contingent liabilities and commitments	-	-
Percentage of classified loans against total loans and advances	9.21%	9.82%
Profit after tax	337,953,532	338,286,627
Amount of classified loans	326,852,290	274,188,139
Provisions kept against classified loans	111,556,243	108,841,917
Total provision surplus/(deficit)	21,862,278	20,126,720
Interest earning assets	5,694,863,600	5,490,129,667
Non-interest earning assets	2,569,635,906	2,554,120,325
Return on investment (ROI)	4.81%	4.90%
Return on Assets (ROA)	4.14%	4.24%
Income from investment	100,328,544	149,336,636
Earning per share	16,898	16,914
Net income per share	16,898	16,914
Price earning ratio	20.79	20.39

Value Added Statement

For the year ended December 31, 2019

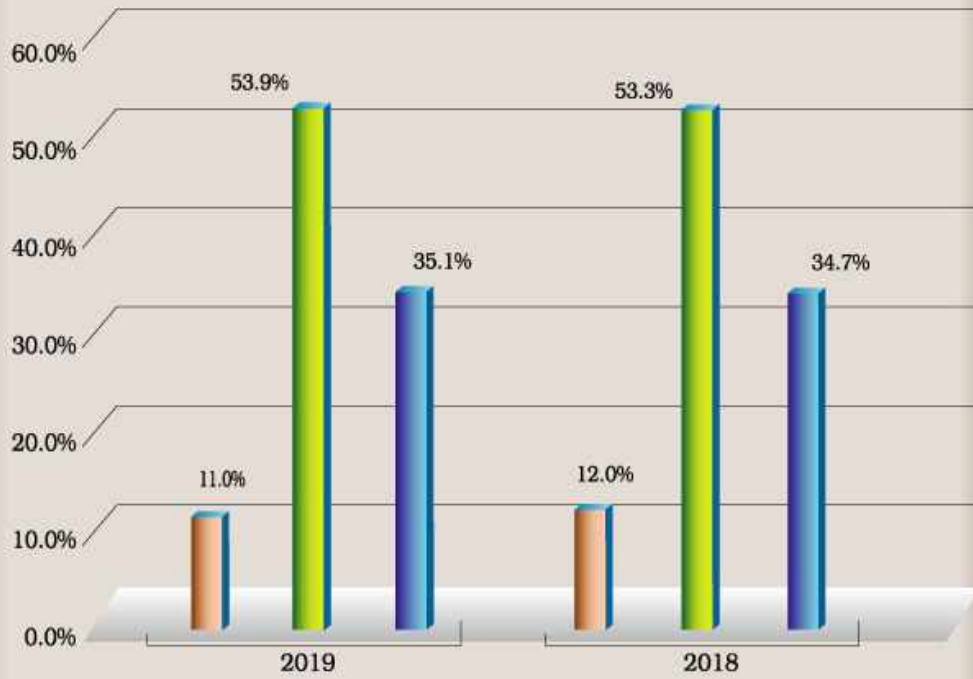
Value added statement represents the value created by SABINCO during the reporting period through utilization of its resources and shows how it has been distributed among the major stakeholders (shareholders, Government and Employees) of the company. A part of added value has been retained in the company for future investment and expansion of the company.

Amount in Taka

Particulars	31 December 2019	31 December 2018
Value Added		
Net Interest Income	337,879,529	290,881,865
Other Income	111,428,943	155,666,613
Provision	20,000,000	25,000,000
Operating expenses excluding salary & allowances and depreciation	39,929,942	27,429,799
Total Value Added	389,378,530	394,118,679
Distribution of value addition:		
Employees as salary & allowances	42,894,329	47,266,310
Government as taxes	-	-
Shareholders as dividend	210,000,000	210,000,000
Retained in the business as capital and revenue reserve	127,953,532	128,286,627
Depreciation	8,530,669	8,565,742
Total Distribution	389,378,530	394,118,679

Distribution of Value Addition

- Employees
- Shareholders
- Retained in the business

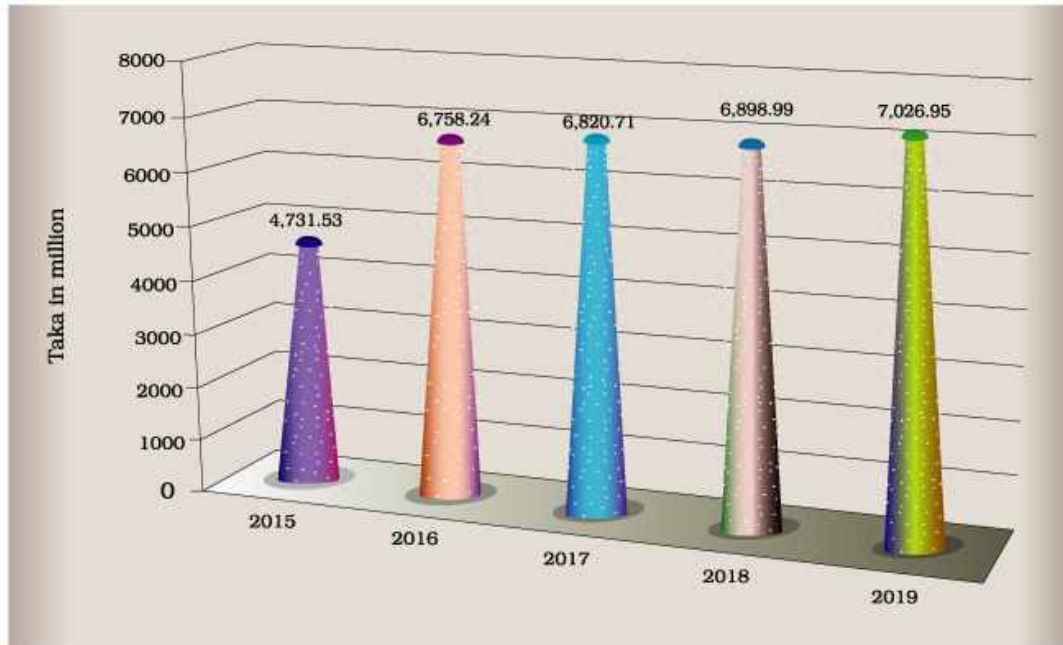


Five Years Performance Data

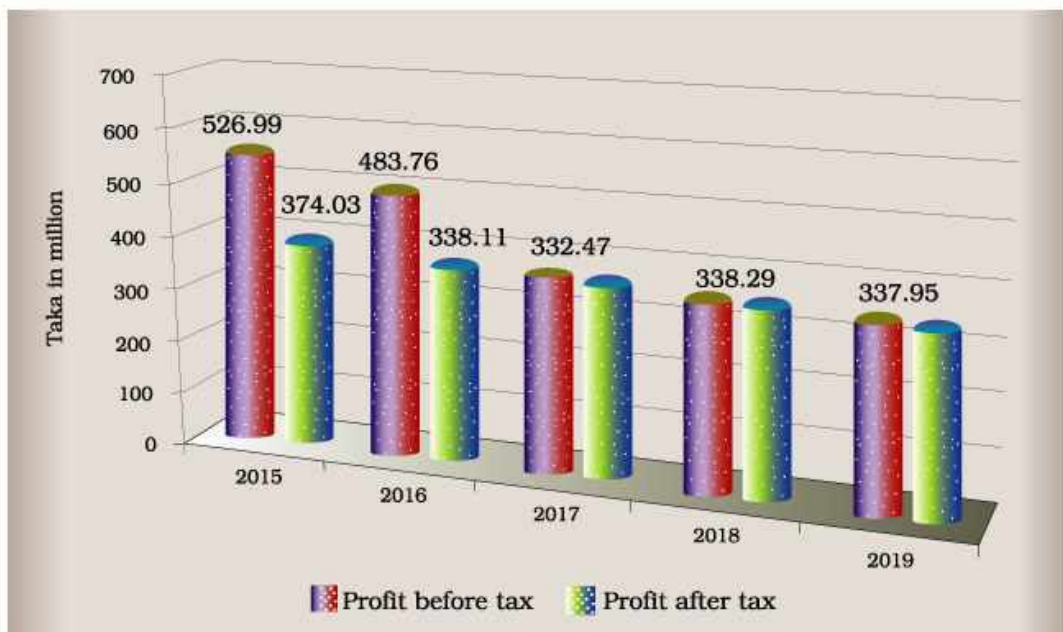
Taka in million

Particulars	2015	2016	2017	2018	2019
Paid up Capital	2,106.08	2,106.08	2,106.08	2,106.08	2,106.08
Shareholders' Equity	4,731.53	6,758.24	6,820.71	6,898.99	7,026.95
Loans and Advances	2,521.85	2,071.14	2,934.86	2,791.38	3,547.70
Investment	1,717.83	1,734.58	1,570.74	1,172.18	918.75
Fixed Assets	167.14	2,127.44	2,115.91	2,107.48	2,099.26
Total Assets	5,855.45	7,776.59	7,894.88	8,044.25	8,264.50
Interest Income	368.15	345.42	280.80	290.88	337.88
Investment Income	222.02	214.31	216.47	149.34	100.33
Other Income	13.34	6.79	12.98	6.33	11.10
Total operating Income	603.51	566.52	510.25	446.55	449.31
Total operating Expenses	76.52	80.27	123.88	83.26	91.35
Profit before tax	526.99	483.76	332.47	338.29	337.95
Net Profit after tax	374.03	338.11	332.47	338.29	337.95
Core Capital (Tier I)	4,731.53	4,789.64	4,852.11	4,930.40	5,058.35
Supplimentary Capital (Tier II)	33.40	1,023.61	1,010.68	1,029.61	1,031.39
Total Capital (Tier I + Tier II)	4,764.93	5,813.25	5,862.79	5,960.01	6,089.74
Total Loans and Advances	2,521.85	2,071.14	2,934.86	2,791.38	3,547.70
Non performing/classified loans (NPLs)	2.87	-	256.88	274.19	326.85
Return on Equity (ROE)	7.98%	5.89%	4.90%	4.93%	4.85%
Return on Assets (ROA)	6.17%	4.96%	4.24%	4.24%	4.14%
Cash Dividend	280	270	260	210	210

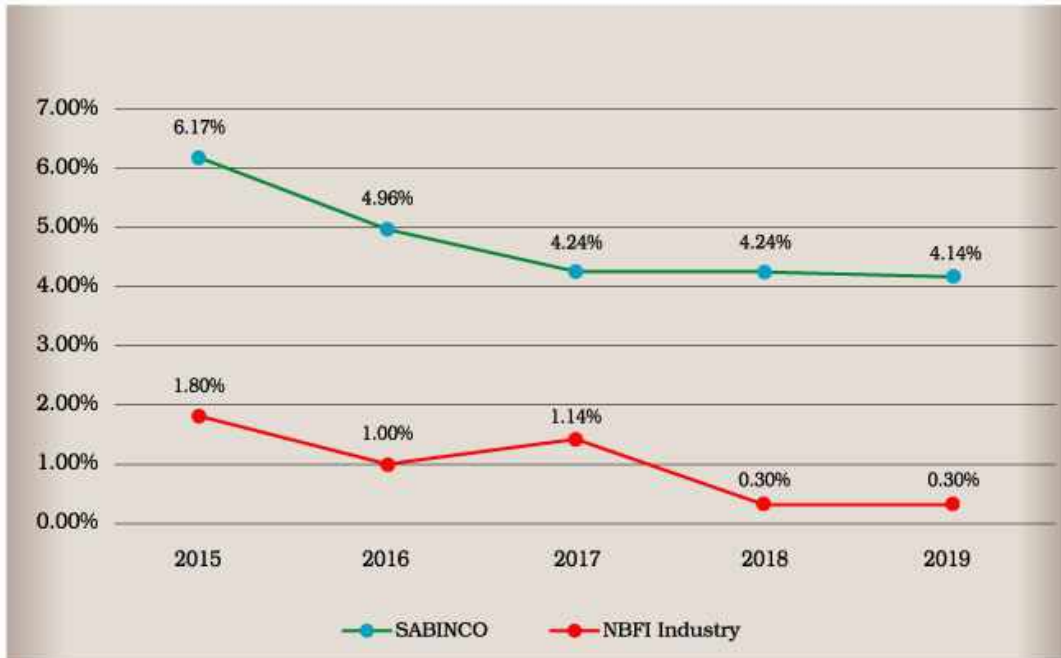
Shareholders' Equity



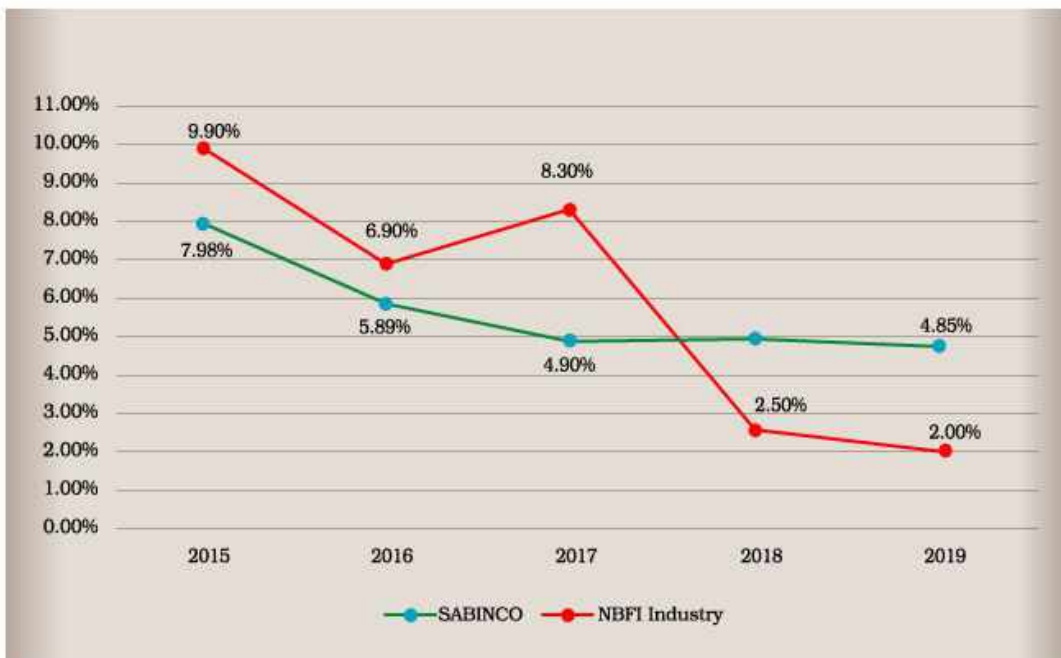
Profits



Return on Assets



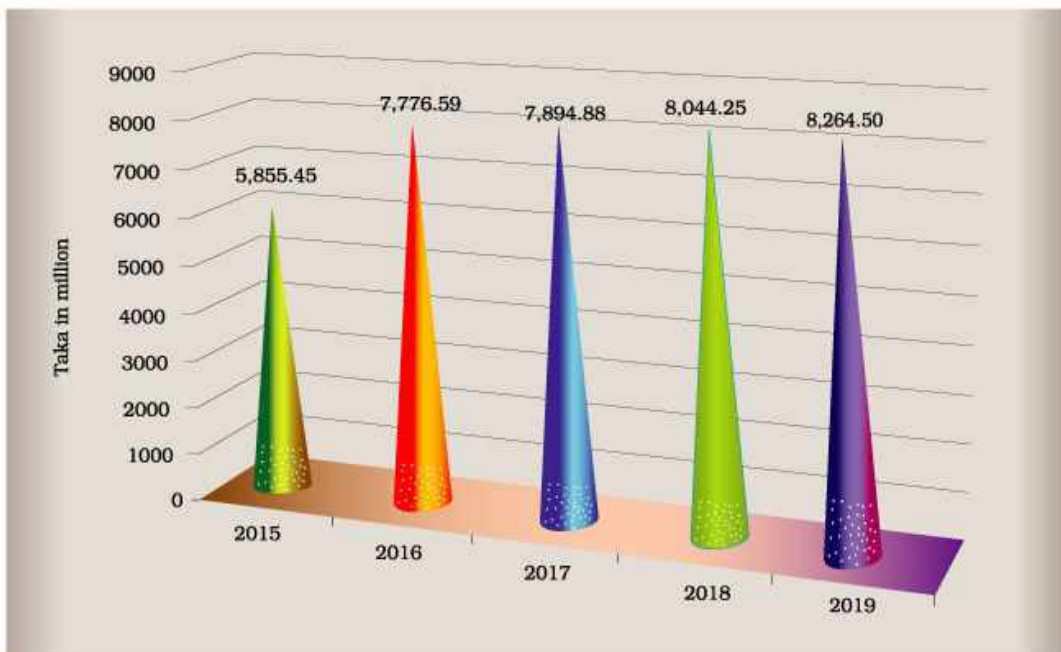
Return on Equity



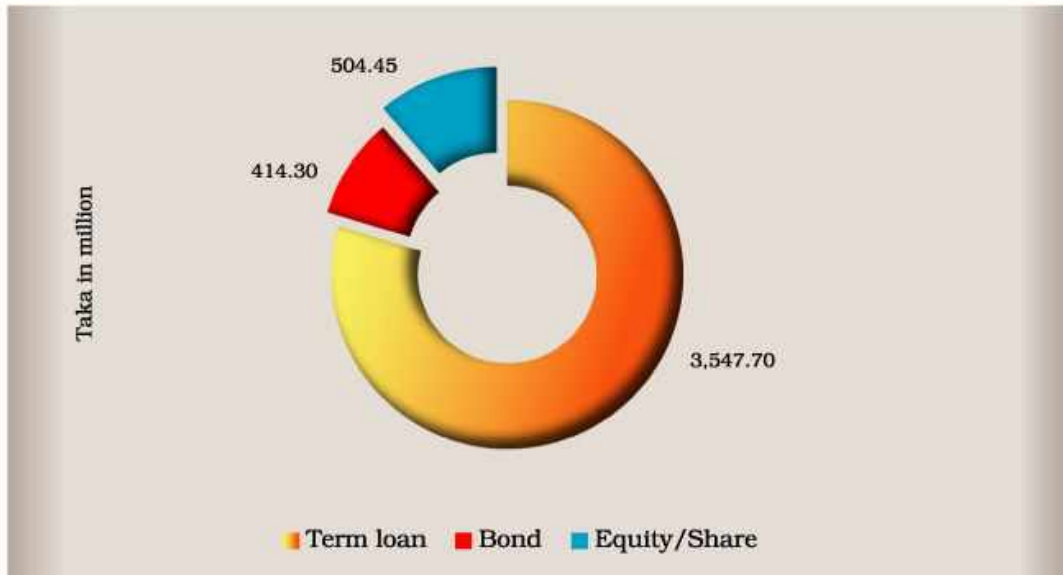
Dividend



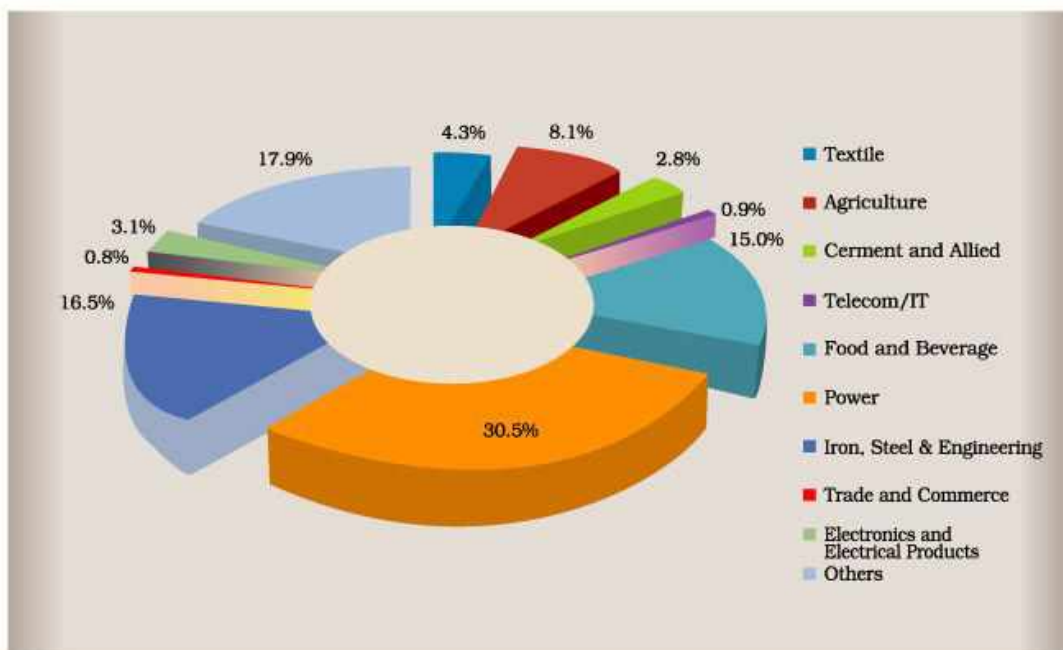
Total Assets



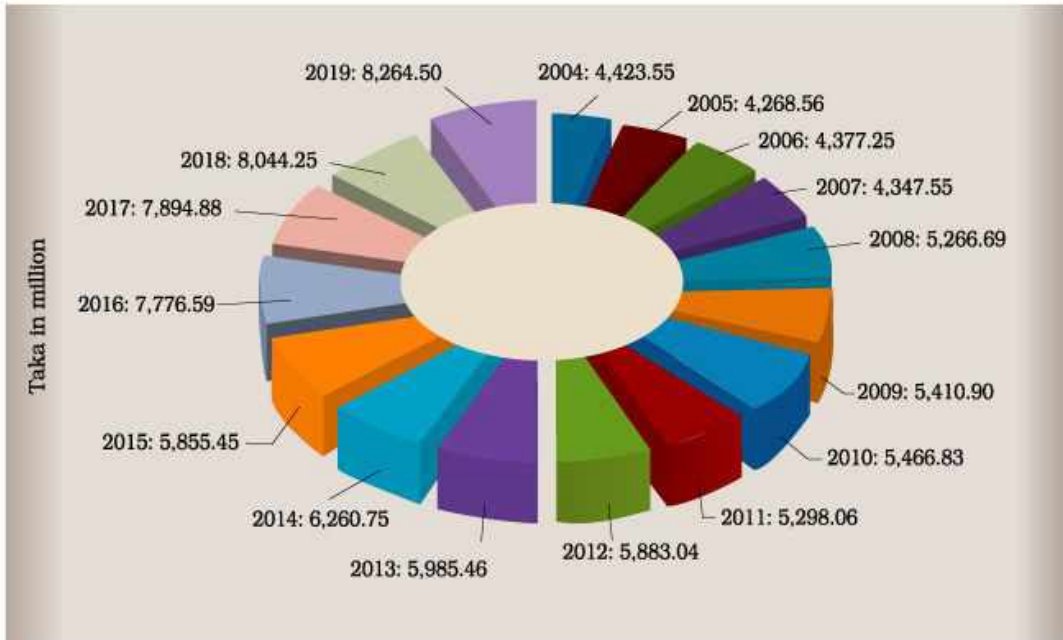
Portfolio Mix



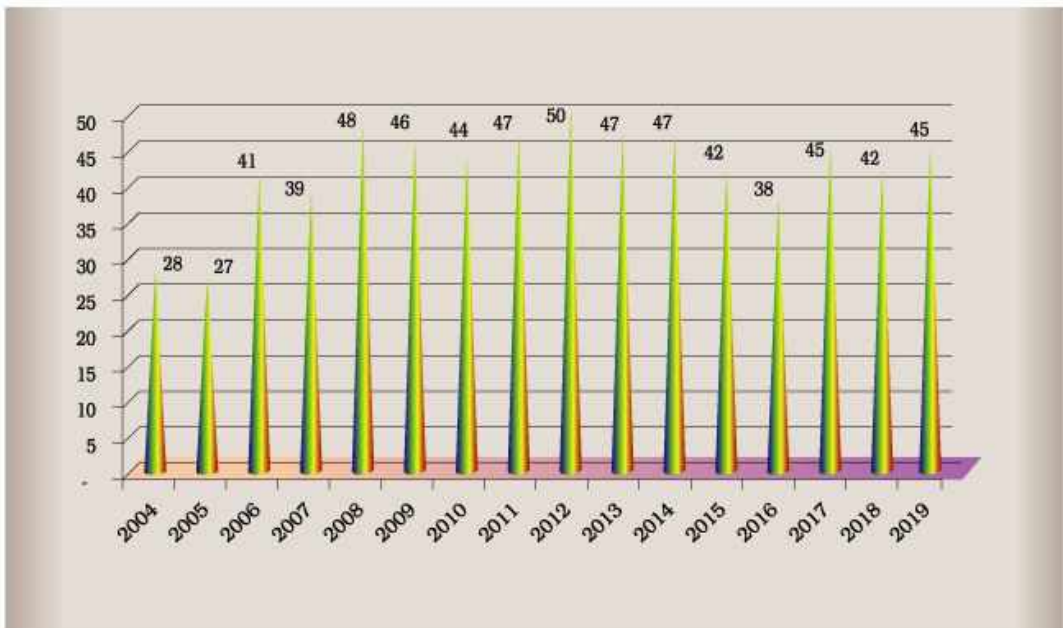
Sector-wise Exposure [Term Loan %]



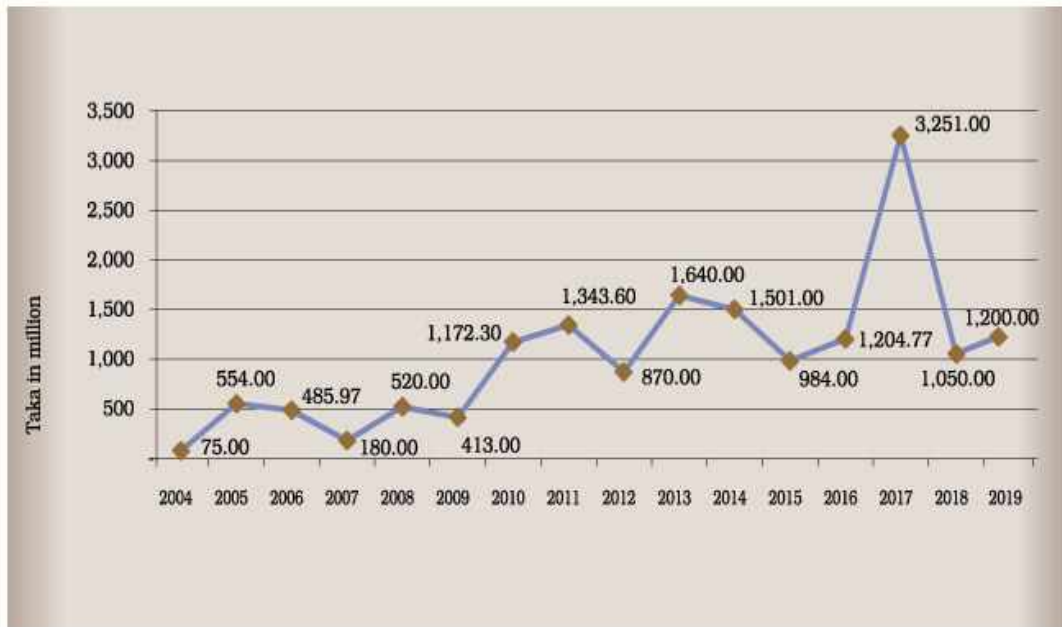
Balance sheet size



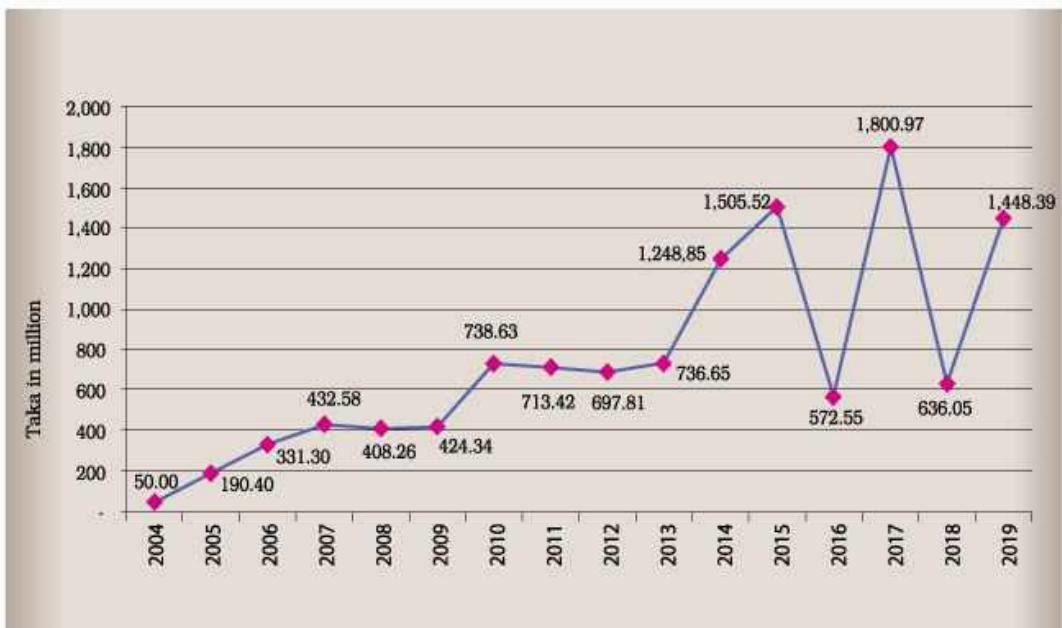
Total Net Active Projects



Year-wise Approval



Year-wise Disbursement



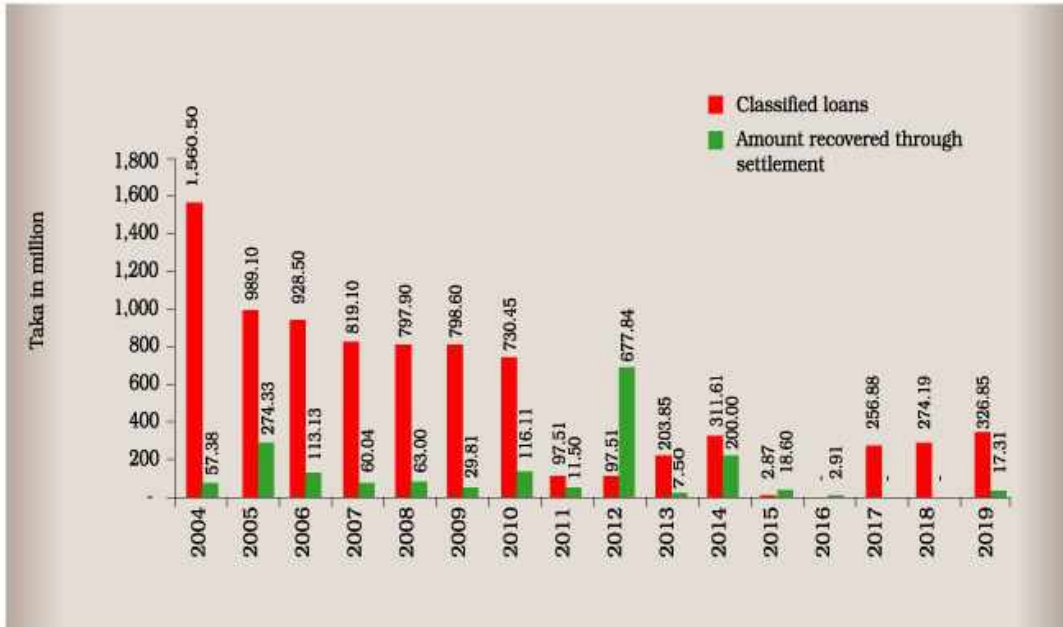
Total Investment



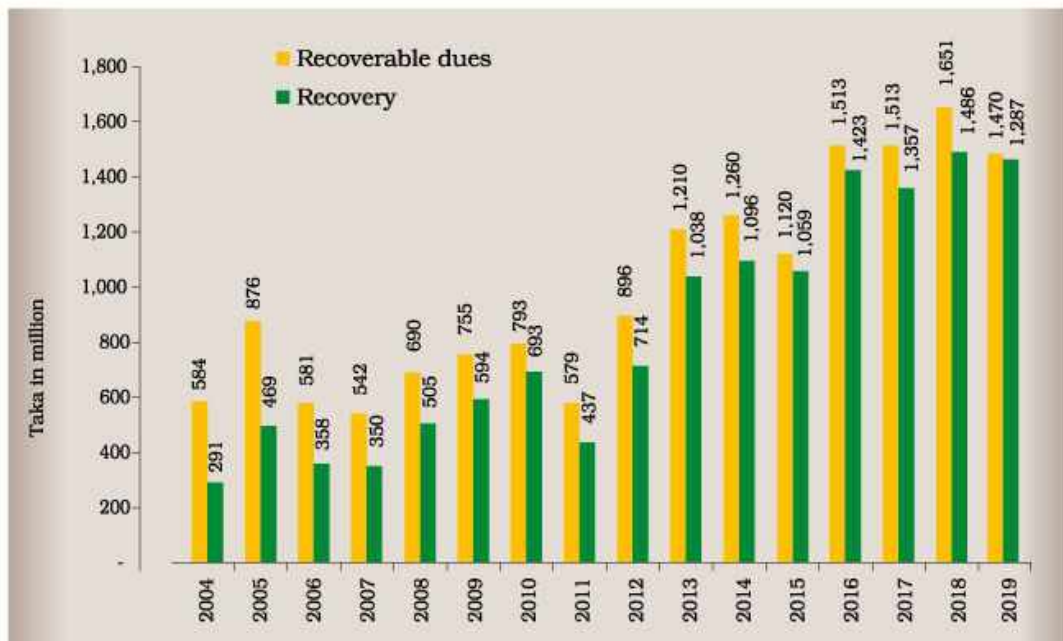
Loan Outstanding



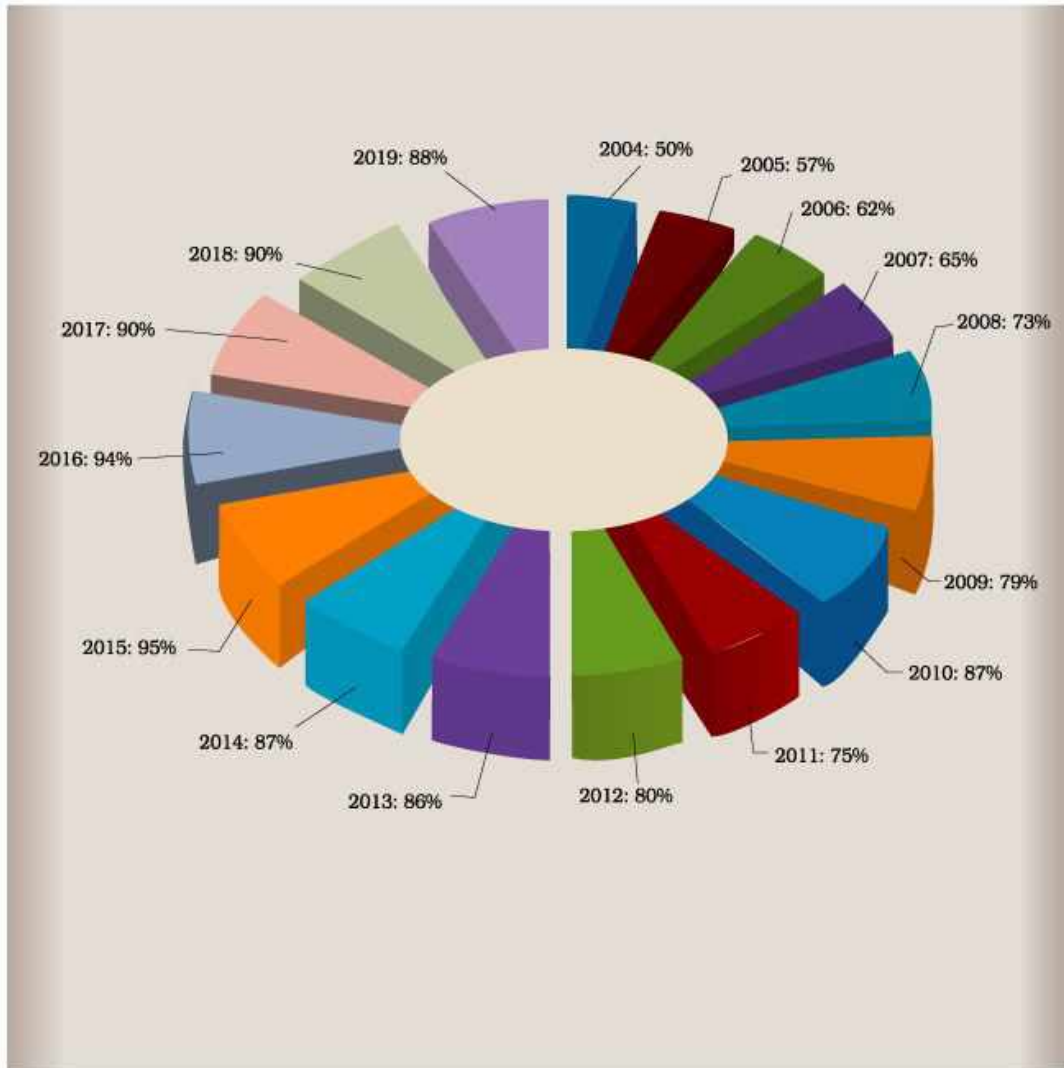
Classified Loans & Recovery



Recoverable dues & Recovery



Recovery as % of target



Few Photographs Projects Financed under Syndication

Technaf Solartech Energy Limited Teknaf, Cox's Bazar



Top view: Solar Power Plant



View: Control Room

Project Photographs

JMI Industrial Gas Limited

Sitakunda, Chattogram



Outside View

JMI Cylinders Limited

Sitakunda, Chattogram



Inside View

Fair Electronics Limited
Shibpur, Narshingdi: Factory inside view



Project Photographs

Raj-Lanka Power Company Limited

Natore



Outside view



Inside view

Desh Energy Chandpur Power Company Limited Chandpur



Outside view



Overall View

Project Photographs

BSRM Wires Limited Mirsarai, Chattogram



Galvanizing Shed (under construction)



GI Finished Product Shed (under construction)

Sole Financed Project

Gazi Fish Culture Limited
Kailashganj, Sundarbans, Khulna





Financial Statements

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SAUDI-BANGLADESH INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LTD. (SABINCO)

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd. (The Company) which comprise the balance sheets as at 31 December 2019 and the profit and loss accounts, statements of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the balance sheet of the Company as at 31 December 2019, and of its profit and loss accounts and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note 2.13 and comply with the applicable section of Financial Institutions Act 1993, the rules and regulation issued by Bangladesh Bank, the companies act, 1994 and other applicable laws and regulation.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon these matters.

We have determined that there are no audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2.13 and comply with the applicable section of Financial Institutions Act, 1993, the rules and regulation issued by Bangladesh Bank, the companies act, 1994 and other applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- (ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (ix) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (x) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xi) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiii) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xiv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 288 person hours for the audit of the books and accounts of the Company;

- (xv) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvi) the Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements; and
- (xvii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Khan Wahab Shafique Rahman

Dated, Dhaka
07 March, 2020

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Balance Sheet

as at 31 December 2019

	Notes	Amount in Taka	
		31-Dec-19	31-Dec-18
Property and Assets			
Cash:	3.00	52,528,573	49,621,140
In hand		60,884	36,698
Balance with Bangladesh Bank (including foreign currencies)		52,467,689	49,584,442
Balances with other Banks:	4.00	1,228,418,237	1,526,568,556
In Bangladesh		1,228,418,237	1,526,568,556
Outside Bangladesh		-	-
Money at call and short notice		-	-
Investments:	5.00	918,749,699	1,172,181,910
Government		2,500	2,500
Others		918,747,199	1,172,179,410
Loans and Advances:			
Term Loan	6.00	3,547,695,664	2,791,379,201
Fixed Assets (including land, building, furniture & fixture and equipments)	7.00	2,099,257,429	2,107,480,240
Other Assets	8.00	417,849,904	397,018,945
Total Assets		8,264,499,506	8,044,249,992
Liabilities and Capital			
Liabilities:			
Borrowings from other Banks	9.00	-	-
Other Liabilities	10.00	1,237,552,660	1,145,256,678
Total Liabilities		1,237,552,660	1,145,256,678
Capital/Shareholders' Equity:			
Paid up Capital	11.00	2,106,084,305	2,106,084,305
Statutory Reserve	12.00	1,112,844,600	1,044,844,600
General Reserve	13.00	1,629,423,744	1,569,470,212
Revaluation Reserve	14.00	1,968,594,197	1,968,594,197
Retained Surplus	15.00	210,000,000	210,000,000
Total Shareholders' Equity		7,026,946,846	6,898,993,314
Total Liabilities and Shareholders' Equity		8,264,499,506	8,044,249,992

The accompanying notes form an integral part of this financial statement.


(Ahmed Ehsanul Karim)
Managing Director (Acting)


(Abdur Rouf Talukder)
Deputy Chairman


(Ahmed M. Al-Ghannam)
Chairman

As per our report of same date.

Dated: Dhaka
07 March 2020


Khan Wahab Shafiqur Rahman & Co.
Chartered Accountants

Profit and Loss Account

for the year ended 31 December 2019

	Notes	Amount in Taka	
		2019	2018
Operating Income			
Interest Income	16.00	337,879,529	290,881,865
Interest paid on deposits & borrowings		-	-
Net Interest Income		337,879,529	290,881,865
Income from Investment	17.00	100,328,544	149,336,636
Fees, Commission & Brokerage	18.00	5,005,097	125,696
Other Operating Income	19.00	6,095,302	6,204,281
Total Operating Income		449,308,472	446,548,478
Salary and Allowances		41,453,286	39,482,282
Rent, Taxes, Insurance, Electricity, etc.		2,564,262	2,601,222
Legal expenses		697,105	373,578
Postage, Stamp, Telecommunication, etc.		262,610	267,524
Stationery, Printing, Advertisement		395,563	360,864
Managing Director's salary & benefits		11,575,264	7,784,028
Directors' Fees and Expenses	20.00	7,007,325	5,792,332
Audit Fee		177,100	177,100
Depreciation and repairs of assets		9,393,340	9,009,382
Other expenses	21.00	17,829,085	17,413,539
Total Operating Expenses		91,354,940	83,261,851
Profit/(Loss) before provision		357,953,532	363,286,627
Provision for Loans		4,490,000	21,933,680
Provision for diminution in the value of investments		15,000,000	2,000,000
Other provisions		510,000	1,066,320
Total Provisions		20,000,000	25,000,000
Profit/(loss) before tax		337,953,532	338,286,627
Provision for Tax:			
Current Tax		-	-
Deferred Tax		-	-
Net Profit after Taxation		337,953,532	338,286,627
Appropriations:			
Statutory Reserve		68,000,000	68,000,000
General Reserve		59,953,532	60,286,627
		127,953,532	128,286,627
Retained surplus		210,000,000	210,000,000
Earnings per share (EPS)	22.00	16,898	16,914


The accompanying notes form an integral part of this financial statement.


(Ahmed Ehsanul Karim)
Managing Director (Acting)


(Abdur Rouf Talukder)
Deputy Chairman


(Ahmed M. Al-Ghannam)
Chairman

As per our report of same date.


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated: Dhaka
07 March 2020

Cash Flow Statement

for the year ended 31 December 2019

	Amount in Taka	
	2019	2018
A. Cash flows from operating activities		
Interest receipts	314,345,777	261,810,493
Dividend receipts	10,845,129	23,623,351
Fees and commission receipts	5,005,097	125,696
Recovery of loan previously written off	-	-
Cash payments to employees	(53,028,550)	(47,266,310)
Cash payments to suppliers	(2,945,655)	(2,532,489)
Income taxes paid	(18,370,716)	(17,407,948)
Receipts from other operating activities	90,010,777	126,349,626
Payments for other operating activities	(25,096,755)	(17,809,426)
Operating profit before changes of operating assets and liabilities (i)	320,765,104	326,892,993
Increase/(decrease) in operating assets and liabilities		
Loans and advances	(658,751,957)	202,164,492
Other assets	(383,386)	3,594,477
Other liabilities	3,000	(1,000)
Cash utilized in operating assets and liabilities (ii)	(659,132,343)	205,757,969
Net cash flows from operating activities (i+ii)	(338,367,239)	532,650,962
B. Cash flows from investing activities		
Receipts/(payment) from sale of shares/bonds	253,432,211	397,695,090
Fixed assets	(307,858)	(137,585)
Net cash used for investing activities	253,124,353	397,557,505
C. Cash flows from financing activities:		
Repayment of borrowing	-	-
Dividend paid	(210,000,000)	(260,000,000)
Net cash used for financing activities	(210,000,000)	(260,000,000)
D. Net increase/(decrease) in cash & cash equivalent (A+B+C)	(295,242,886)	670,208,467
E. Effects of exchange rate changes on Foreign Currency	-	-
F. Cash and Cash equivalents at the beginning of the year	1,576,189,696	905,981,229
Cash and cash equivalents at the end of the year (D+E+F)	1,280,946,810	1,576,189,696
Cash and cash equivalents at end of the year:		
Cash in hand and balance with Bangladesh Bank	52,528,573	49,621,140
Balance with other banks	1,228,418,237	1,526,568,556
	1,280,946,810	1,576,189,696


(Ahmed Ehsanul Karim)
Managing Director (Acting)


(Abdur Rouf Talukder)
Deputy Chairman


(Ahmed M. Al-Ghazem)
Chairman

As per our report of same date.

Dated: Dhaka
07 March 2020


Khan Wahab Shafiqur Rahman & Co.
Chartered Accountants

Statement of Changes in Equity

for the year ended 31 December 2019

Particulars	Amount in Taka						Total
	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation Reserve	Retained Surplus		
Balance at 01 January 2019	2,106,084,305	1,044,844,600	1,569,470,212	1,968,594,197	210,000,000		6,896,993,314
Dividend paid	-	-	-	-	(210,000,000)		(210,000,000)
Net profit after tax	-	-	-	-	337,953,532		337,953,532
Appropriation made during the year	-	68,000,000	59,953,532	-	(127,953,532)		-
Balance at 31 December 2019	2,106,084,305	1,112,844,600	1,629,423,744	1,968,594,197	210,000,000		7,026,946,846


 (Ahmed Ehsanul Karim)
 Managing Director (Acting)


 (Abdur Rouf Talukder)
 Deputy Chairman


 (Ahmed M. Al-Chaninam)
 Chairman

Dated: Dhaka
 07 March 2020


 Khan Waheed Shafiqur Rahman
 Khan Waheed Shafiqur Rahman & Co.
 Chartered Accountants

Liquidity Statement

(Assets and Liability maturity Analysis)

as at 31 December 2019

Amount in Taka

Particulars	Upto 1 month	1 - 3 month	3 - 12 month	1 - 5 years	More than 5 years	Total
Assets						
Cash in hand	60,884	-	-	-	-	60,884
Balance with Bangladesh Bank (including foreign currencies)	12,584,774	-	39,882,915	-	-	52,467,689
Balance with Other Banks	510,754,057	603,104,421	114,559,759	-	-	1,228,418,237
Investments	-	47,272,727	158,155,833	713,321,139	-	918,749,699
Loans and Advances	16,599,767	176,566,881	658,225,813	2,140,407,342	555,895,861	3,547,695,664
Fixed Assets (including land, furniture & fixtures and equipments)	196	-	82,026	2,098,895	2,097,076,312	2,099,257,429
Other Assets	5,428,314	10,435,550	7,859,529	386,974,607	7,151,904	417,849,904
Total Assets (A)	545,427,992	837,379,579	978,765,875	3,242,801,983	2,660,124,077	8,264,499,506
Liabilities						
Borrowings from Other Banks	-	-	-	-	-	-
Other liabilities	272,801	567,100	277,580	15,158,775	1,221,276,404	1,237,552,660
Total Liabilities (B)	272,801	567,100	277,580	15,158,775	1,221,276,404	1,237,552,660
Net Liquidity difference (C) = A - B	545,155,191	836,812,479	978,488,295	3,227,643,208	1,438,847,673	7,026,946,846

The following assumptions have been applied in preparing the maturity analysis:

- Investments are on the basis of their expected timing of Cash flows.
- Loans and advances are on the basis of their maturity.
- Fixed assets including land & land development, furniture and fixtures are on the basis of their useful life.
- Other assets are on the basis of their adjustment.
- Other liabilities are on the basis of their adjustment.

Notes to the Financial Statements

as at and for the year ended 31 December 2019

1.00 Background of SABINCO:

Saudi Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) is a joint venture Industrial Finance and Investment Company owned by the Governments of Saudi Arabia and Bangladesh.

The Company was incorporated under the Bangladesh Companies Act 1913 (now 1994) on 24th June 1984 with its headquarter in Dhaka and commenced operation in 1986. In 1995, was granted a license to operate as a Non Bank Financial Institution (NBFI) by Bangladesh Bank.

The company has a paid up capital of USD 60 million equivalent to Taka 2,106.08 million with following shareholdings:

Government of the Kingdom of Saudi Arabia - 50%

Government of the People's Republic of Bangladesh - 50%

The company has a six-member Board of Directors to which the Government of Saudi Arabia nominates the Chairman and two members, while the Deputy Chairman and two other members are nominated by the Government of Bangladesh.

SABINCO offers both loan and equity based products and it also acts as financial intermediary and advisor. SABINCO has promoted several medium and large scale industrial projects in the manufacturing, agro based and infrastructure sectors some of which were first of its kind in Bangladesh.

SABINCO played a pioneering role in the Bangladesh economy by creating new industrial sub sectors like industrial scale fish farming, fishery and poultry supporting industries, private sector cement factory, export oriented fruit and vegetable processing unit etc.

SABINCO also extends financing in the Telecom & IT, Food and Beverage, Glass & Ceramics, Iron, Steel & Engineering and Power Sector and thereby expanding its financing depth.

1.01 Objective of the Company:

The objective of the company is to make investment in manufacturing, agro-processing, infrastructure and utility service projects/industries in Bangladesh on commercial basis through loans & advances and equity participation. The company has sanctioned 138 projects up to December 2019.

2.00 Summary of significant Accounting Policies and basis of preparation of the financial statements

2.01 Statement of compliance

The Financial Statements have been prepared on the basis of going concern concept and accrual method under historical cost convention in accordance with International Financial Reporting Standards (IFRS), the Financial Institution Act 1993, the Companies Act 1994 and other applicable laws and regulations.

In the event any requirement of the Financial Institutions Act 1993, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Financial Institutions Act 1993, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

i) Investment in shares and securities

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

Bangladesh Bank: As per FID circular 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision are required to be made for any loss arising from the diminution in value of the investment; otherwise investments are recognized at cost.

ii) Provision on loans and advances/ investments

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

Bangladesh Bank: As per FID circular No. 8 dated 3 August 2002 and FID circular No. 3 dated 3 May 2006 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue.

iii) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest

income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per FID circular No. 8 dated 3 August 2002, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

iv) Other comprehensive income

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

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

v) Financial instruments presentation and disclosure

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

vi) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', T-bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as face item in statement of financial position and T-bills, Prize bonds are shown under Investment.

vii) Non-banking assets

IFRS: No indication of non banking assets is found in any IFRSs.

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated December 23, 2009, there must exist a face item named Non-banking asset.

viii) Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows

in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per DFIM Circular 11 dated 23 December 2009, cash flow is the mixture of direct and indirect methods.

ix) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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

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

2.02 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (BDT), which is the company's functional currency. All values are rounded to the nearest BDT except when otherwise indicated.

2.03 Foreign Currency Translation

- (i) Transactions in foreign currencies are translated into Taka at the foreign exchange rates prevailing on the Transaction date.
- (ii) Monetary assets and liabilities in foreign currencies are expressed in taka at the rates of exchange prevailing on the Balance Sheet date.

2.04 Comparative information

As guided in paragraph 36 and 38 of IAS 1 Presentation of Financial Statements, Comparative Information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

2.05 Reporting Date

The reporting date of the financial statements begins from 1st January 2019 to 31 December 2019.

2.06 Cash Flow Statement

Cash Flow Statement is prepared in accordance with IAS-7 (direct method) "Cash Flow Statement" and format provided by the Bangladesh Bank vide DFIM Circular No-11 dated 23 December 2009 as applicable for preparation of Cash Flow Statement.

2.07 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

2.08 Liquidity statement (Assets & Liability Maturity Analysis)

The Liquidity Statement of assets and liabilities as on the reporting date has been prepared on residual maturity term, which has been given on the statement.

2.09 Assets and basis of their evaluation

2.09.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the company management for its short term commitment.

2.09.2 Loans & Advances

- i) Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as liability.
- ii) Interest on loans and advances is calculated and charged on monthly, quarterly, half yearly and in some instances on an annual basis.
- iii) Interest on loan is recognized as income only when it is realized in cash.
- iv) As per Bangladesh Bank directives, interest on loans and advances, which are classified as Bad/loss, is not accounted for. A separate memorandum record is maintained for such interest.
- v) Provisions for loans and advances are made on the basis of Bangladesh Bank FID Circular No.11 of 2005 and FID Circular No.03 of 2006:

General Provision on:	Rate
Unclassified (SME)	0.25%
Unclassified	1%
Special Mention Account (SMA)	5%
Sub Standard	20%
Doubtful	50%
Bad	100%

2.09.3 Investment

- i) Income from dis-investment in shares is accounted for as and when it is received.
- ii) Dividend is recognized as income when it is received/realized.
- iii) Value of Investments has been considered as follows:

Government securities-Prize Bonds	At cost Price
Investment in shares-Quoted	At cost Price
Investment in shares-Unquoted	At cost Price

Provision has been made at an estimate on the value of shares and bonds due to fluctuations of market value in terms of economic conditions that exists in the market. Necessary provisions are being made to cover the losses, if any, as per regulatory guidelines.

2.09.4 Recognition of Fixed Assets:

All property and equipment are classified and grouped according to the nature of individual assets and the major categories of assets are land, building, furniture and fixture, motor vehicles and equipment. Recognition of fixed assets have been made based on probable future economic benefits associated with the assets.

Fixed Assets are shown in the carrying amount as per IAS 16 and such Fixed Assets have been stated at cost less accumulated depreciation i.e. at written down value.

Gain or loss on sale of fixed assets is recognized in profit and loss account.

2.09.5 Depreciation of fixed assets:

Depreciation on fixed assets has been charged on straight line method. Depreciation has been charged based on the date of acquisition of assets during the accounting year on daily basis.

Depreciation has been calculated at the following rates:

Types of Assets	Rate of Depreciation
Building	5.0%
Furniture and fixture	12.5%
Motor vehicles	25.0%
Office and electrical equipment	20.0%

2.09.6 Intangible assets and amortization of intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization. Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 5 year. Subsequent expenditure on software is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is treated as expense when incurred.

2.10 Liabilities and basis of their valuation

2.10.1 Employees benefit plans

The company operates a non-funded gratuity scheme and contributory provident fund.

Gratuity fund:

SABINCO operates a non-funded gratuity scheme, provision for which is made annually covering its all eligible employees according to the relevant provision of "Service Rules".

Provident fund:

The company maintains a contributory provident fund recognized by National Board of Revenue. The fund is administered by a Board of Trustee and it is funded equally by the employer and employees @ 10% of their basic salary.

2.10.2 Taxation

Income tax expense represents the sum of the tax currently payable along with the deferred tax.

It is be noted that, SABINCO is exempted from the payment of taxes vide the provision of SRO 103-AIN/2012 dated 19.04.2012, Article 26 (Specific Provisions), with effective date of 01 October, 2011.

In this connection, reference is made to the Articles VII & XI of the bilateral agreement "An agreement for the establishment of the Saudi Bangladesh Industrial and Agricultural Investment Company Limited", wherein the Company was exempted from payment of tax for an initial period of ten years from the date of the first balance sheet of the Company that showed profit, which commenced on 01 January 1985 expired on 31 December 1994.

After the expiry of the tax holiday period the Company continued to pay taxes (for the next twenty two years) up to the assessment year 2017-2018, though the income of the Company was fully exempted once again from taxation as per the provision of SRO 103-AIN/2012 dated 19.04.2012, Article 26 (Specific Provisions), with effective date of 01 October, 2011.

The Company in the meantime has applied to the appropriate tax authority seeking refund of Tk.1,186,780,618 which was inadvertently paid by SABINCO during the assessment year 2013-2014 to 2017-2018. Tax provision (current and deferred) has not been created against income for this year 2019.

Given the above elaboration SABINCO therefore is not required to make any further tax provisions (both current and deferred) and accordingly no tax provision has been created for the year 2019.

2.10.3 Provision and accrued expenses

Provision and accrued expenses are recognized in the financial statements based on obligation in view of past event for which an outflow of economic benefit will be required to settle the obligation and a reliable estimate has been made for the amount of obligation.

2.11 Statutory reserve

In fulfillment of requirement of Financial Institutions Act 1993, 20% of profit is being transferred to statutory reserve.

2.12 Revenue recognition

The revenues during the year are recognized on an accrual basis (other than interest on loan, interest on bond and dividend), which comply with the conditions of revenue recognition as provided in IFRS 15: Revenue from contracts with customer.

2.13 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

The following Accounting and Reporting Standards are applicable for Saudi Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) which are followed in preparing the Financial Statements of the Company.

Sl. No.	Name of the IAS	IAS No.	Status
01	Presentation of Financial Statements	01	Applied *
02	Inventories	02	Not Applicable
03	Statement of Cash Flows	07	Applied
04	Accounting Policies, Changes in Accounting estimates and Errors	08	Applied
05	Events after the Reporting Period	10	Applied
06	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Property, Plant and Equipment	16	Applied
09	Leases	17	Not Applicable
10	Employee Benefits	19	Applied
11	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
12	The Effects of Changes in Foreign Exchange Rates	21	Applied
13	Borrowing Costs	23	Not Applicable
14	Related Party Disclosures	24	Applied
15	Accounting and Reporting by Retirement Benefit Plans	26	Applied
16	Separate Financial Statements	27	Not Applicable
17	Investments in Associates and Joint Ventures	28	Not Applicable
18	Financial Instruments: Presentation	32	Applied
19	Earnings per Share	33	Applied
20	Interim Financial Reporting	34	Not Applicable
21	Impairment of Assets	36	Not Applicable
22	Provision, Contingent Liabilities and Contingent Assets	37	Applied
23	Intangible Assets	38	Applied
24	Financial Instruments: Recognition and Measurement	39	Applied
25	Investment Property	40	Not Applicable
26	Agriculture	41	Not Applicable

* As the regulatory requirements differ with the standards, relevant disclosures are made in accordance with Bangladesh Bank's requirements.

Name of the IFRS	IFRS No	Status
First Time adoption of IFRS	1	Not Applicable
Share Based Payment	2	Not Applicable
Business Combinations	3	Not Applicable
Insurance Contracts	4	Not Applicable
Non-current Assets held for sales and discontinued operations	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	6	Not Applicable
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Not Applicable
Financial Instruments	9	Applied
Consolidated financial statements	10	Not Applicable
Joint Arrangements	11	Not Applicable
Disclosure of interest in other entities	12	Applied
Fair value measurement	13	Applied
Revenue from contracts with customer	15	Applied

	Amount in Taka	
	31-Dec-19	31-Dec-18
3.00 Cash:		
In hand (Local currency)	60,884	36,698
Balance with Bangladesh Bank:		
Local Currency	12,584,774	4,368,768
Foreign Currency-	-	-
US\$ 475,192.60	39,882,915	-
US\$ 545,266.99		45,215,674
	52,528,573	49,621,140
4 .00 Balance with Other Banks:		
In Bangladesh:		
Local Currency Accounts with-	220,933,150	255,473,431
Standard Chartered Bank- SND Account	20,210	131,651
The City Bank Ltd.- SND Account	220,912,940	255,341,780
Foreign Currency Current Account with-		
Standard Chartered Bank-		
US\$ 2,498.25 equivalent to	209,678	-
US\$ 3,825.94 equivalent to	-	317,285
Fixed Deposit Accounts(Local currency) with-	1,007,275,409	1,270,777,840
AB Bank Ltd.	-	70,162,788
Dhaka Bank Ltd.	137,818,780	31,226,960
IFIC Bank Ltd.	-	126,573,189
Mutual Trust Bank Ltd.	105,446,065	101,325,904
Southeast Bank Ltd.	138,075,444	127,661,454
National Bank Ltd.	-	126,548,936
Delta BRAC Housing Finance Corporation Ltd.	136,229,727	127,469,665
IDLC Finance Ltd.	140,042,634	126,548,915
Bank Asia Ltd.	104,090,500	126,597,882
National Credit & Commerce Bank Ltd.	-	31,261,507
The City Bank Ltd.	106,012,500	10,000,000
Mercantile Bank Ltd.	139,559,759	126,651,606
Pubali Bank Ltd.	-	102,249,034
Prime Bank Ltd.	-	36,500,000
	1,228,418,237	1,526,568,556
5.00 Investments		
Government Securities - Prize Bond	2,500	2,500
Other Investments (Note - 5.01)	918,747,199	1,172,179,410
	918,749,699	1,172,181,910

	Amount in Taka	
	31-Dec-19	31-Dec-18
5.01 Other Investments:		
Ordinary shares (listed companies) (5.02)	204,400,947	206,020,215
Ordinary shares (Un-listed companies) (5.03)	153,316,900	153,316,900
Preference shares (5.04)	146,727,274	175,818,184
Bond (5.05)	414,302,078	637,024,111
	918,747,199	1,172,179,410
5.02 Ordinary shares (listed companies : Note - 5.07)		
Opening balance	206,020,215	212,694,868
Additions	-	-
Disposal	(1,619,268)	(6,674,653)
	204,400,947	206,020,215
5.03 Ordinary shares (un-listed companies : Note - 5.07)		
Opening balance	153,316,900	153,316,900
Additions	-	-
Disposal	-	-
	153,316,900	153,316,900
5.04 Preference share		
Opening balance	175,818,184	204,909,094
Additions	-	-
Disposal/Redemption	(29,090,910)	(29,090,910)
	146,727,274	175,818,184
5.05 Bond		
Opening balance	637,024,111	999,815,338
Additions	-	-
Disposal	(222,722,033)	(362,791,227)
	414,302,078	637,024,111
5.06 Maturity grouping of investments		
On demand	-	-
Less than 3 months	47,272,727	49,308,302
More than 3 months but less than 1 year	158,155,833	204,540,216
More than 1 year but less than 5 years	713,321,139	888,333,392
Above 5 years	-	30,000,000
	918,749,699	1,172,181,910

5.07 Cost and market value of investments as of 31 December 2019

	No. of shares	Cost price	Market price
Listed		204,400,947	28,911,751
Mita Textiles Ltd.	532,820	52,322,829	-
Dynamic Textile Industries Ltd.	891,300	64,715,814	-
National Oxygen Ltd.	8	800	-
Dhaka Fisheries Ltd.	300	30,000	-
Gachihata Aquaculture Farms Ltd.	100,000	10,000,000	-
Meghna Vegetable Oil Industries Ltd.	100	19,557	-
Beximco Ltd.	1,180,552	73,603,097	16,291,618
Beximco Pharma Ltd.	165,385	2,035,574	11,477,719
Maq paper Ltd.	4,000	673,276	-
Fu-wang Ceramic Industries Ltd.	156,495	-	1,142,414
Texpic Industries Ltd.	10,000	1,000,000	-
	No. of shares	Cost price	NAV
Un-listed		153,316,900	276,936,259
A. Taken Over Project (TOP)		147,862,500	165,890,914
Saudi Bangla Fish Feed Ltd.	739,400	70,262,500	140,230,022
S&M Shrimp Culture Ltd.	250,000	19,100,000	-
Gazi Fish Culture Ltd.	600,000	58,500,000	25,660,892
B. Others		5,454,400	111,045,345
Quality Feeds Ltd.	49,130	4,913,000	111,045,345
Bright Tubes Ltd.	5,414	541,400	-
Preference Shares:			
A. Taken Over Project (TOP)		74,000,000	21,384,076
Gazi Fish Culture Ltd.	500,000	50,000,000	21,384,076
S&M Shrimp Culture Ltd.	240,000	24,000,000	-
B. Others		72,727,274	72,727,274
Raj Lanka Power Company Ltd.	7,272,727	72,727,274	72,727,274
Total		504,445,121	399,959,360

	Amount in Taka	
	31-Dec-19	31-Dec-18
6.00 Loans and Advances		
In Bangladesh		
Term Loans	3,546,985,637	2,790,188,655
Staff Loans	710,027	1,190,546
	3,547,695,664	2,791,379,201
6.01 Loans and Advances		
Opening Balance	2,791,379,201	2,934,857,086
Addition	1,748,461,132	876,267,345
Repayments/adjustments	(992,144,669)	(1,019,745,230)
Balance at the end of the year	3,547,695,664	2,791,379,201
6.02 Maturity-wise Grouping		
On demand	16,599,767	16,068,343
Less than 3 months	176,566,881	158,352,938
More than 3 months but less than 1 year	658,225,813	581,203,919
More than 1 year but less than 5 years	2,140,407,342	1,623,055,200
Above 5 years	555,895,861	412,698,801
	3,547,695,664	2,791,379,201
6.03 Significant Concentration-wise Grouping:		
Loans and Advances to Directors and their allied concern	-	-
Advances to Chief-Executive and other Senior Executives	-	-
Advances to Customers (Group-wise):		
Medium enterprise	744,252,827	573,015,507
Large enterprise	2,802,732,810	2,217,173,148
	3,546,985,637	2,790,188,655
Advances to other staff	710,027	1,190,546
	3,547,695,664	2,791,379,201
Disclosure on large loan:		
The company did not sanction/ disburse any loan to any individual, or enterprise or any organization exceeding 15% of the total Capital of the company.		
6.04 Sector-wise loans and advances		
Textile	151,743,245	171,973,303
Agriculture	288,516,369	412,659,907
Cement and allied	98,762,944	133,064,835
Telecom/IT	31,406,575	31,406,575
Foods and Beverage	531,854,284	560,252,444
Power	1,083,329,089	288,664,190
Iron, Steel & Engineering	585,550,348	416,735,406
Trade and Commerce	28,885,750	195,096,854
Electronics and Electrical Products	111,368,157	74,803,544
Others	635,568,876	505,531,597
	3,546,985,637	2,790,188,655

	Amount in Taka	
	31-Dec-19	31-Dec-18
6.05 Geographical location -wise grouping		
Dhaka	1,693,197,696	1,766,737,177
Chattogram	994,309,520	416,735,406
Khulna	496,340,442	244,378,338
Sylhet	104,558,567	177,226,775
Mymensingh	40,906,069	48,729,925
Rajshahi	217,673,343	136,381,034
Barishal	-	-
	3,546,985,637	2,790,188,655
6.06 Grouping as per classification rules:		
Unclassified Loans i.e Standard Loans (including staff loans)	3,220,843,374	2,454,079,538
Special Mention Account	-	63,111,524
Classified Loans:		
Sub-Standard	69,973,005	17,308,854
Doubtful	-	-
Bad/Loss	256,879,285	256,879,285
	3,547,695,664	2,791,379,201
6.07 Particulars of loans and advances		
(a) Debts considered good in respect of which the company is fully secured.	3,220,843,374	2,517,191,062
(b) Debts considered good for which the company holds no other security than the debtor's personal security.	-	-
(c) Debts considered good which is secured by the personal liabilities of one or more parties in addition to the personal security of the debtors.	-	-
(d) Loans classified but provision not maintained against such loan.	-	-
(e) Debts due by directors or officers of the company or any of them either severally or jointly with any other persons.	-	-
(f) Debts due by companies or firms in which the directors or officers of the company are interested as Directors, partners or Managing Agents or in the case of private companies, as members.	-	-

	Amount in Taka	
	31-Dec-19	31-Dec-18
(g) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the company or any of them either severally or jointly with any other persons.		
(h) Due from other banking companies.	-	-
(i) Classified loans for which interest/profit not charged:		
a) Decrease/ increase in provisions	-	-
Amount of written off loans		
Amount realized against loan previously written off.	71,349,161	71,349,161
b) Total amount of provisions created as of the date of preparing the Balance sheet against classified bad/loss loans	105,841,917	105,841,917
c) Interest creditable to interest suspense account	77,222,599	44,531,078
(j) Cumulative amount of the written off loan	720,451,672	720,451,672
Amount written off during the current year	-	-
The amount of written off loan for which law suit filed	536,876,245	536,876,245

7.00 Fixed Assets

Cost	2,194,761,429	2,194,453,571
Land & Land Development	2,000,000,000	2,000,000,000
Building	149,011,648	149,011,648
Motor vehicles	11,326,824	11,326,824
Office & Electrical equipment	27,681,013	27,388,735
Furniture & fixtures	3,377,308	3,361,728
Intangible Assets-Software	3,364,636	3,364,636
Less: Accumulated depreciation	95,504,000	86,973,331
Building	52,119,568	44,668,986
Motor vehicles	11,326,817	11,326,817
Office & Electrical equipment	27,049,063	26,785,567
Furniture & fixtures	3,009,991	2,866,327
Intangible Assets-Software	1,998,561	1,325,634
Written down value at the end of the year	2,099,257,429	2,107,480,240

7.01 Fixed assets

Amount in Taka

Particulars	at Cost				Depreciation				Written Down value at 31-Dec-19	
	At 01-Jan-19	Addition during the year	Disposal during the year	At 31-Dec-19	Rate of depreciation	At 01-Jan-19	Charged for the year	Disposal during the year		At 31-Dec-19
	Land & Land Development	2,000,000,000	-	-	2,000,000,000	0%	-	-		-
Building	149,011,648	-	-	149,011,648	5%	44,668,986	7,450,582	-	52,119,568	96,892,080
Motor vehicles	11,326,824	-	-	11,326,824	25%	11,326,817	-	-	11,326,817	7
Office & Electrical equipment	27,388,735	292,278	-	27,681,013	20%	26,785,567	263,496	-	27,049,063	631,950
Furniture & fixtures	3,361,728	15,580	-	3,377,308	12.50%	2,866,327	143,664	-	3,009,991	367,317
Intangible Assets-Software	3,364,636	-	-	3,364,636	20%	1,325,634	672,927	-	1,998,561	1,366,075
as on 31-Dec-19	2,194,453,571	307,858	-	2,194,761,429		86,973,331	8,530,669	-	95,504,000	2,099,257,429
as on 31-Dec-18	2,194,315,986	137,585	-	2,194,453,571		78,407,589	8,565,742	-	86,973,331	2,107,480,240

	Amount in Taka	
	31-Dec-19	31-Dec-18
8.00 Other Assets		
Advance income tax	386,861,207	368,490,491
Deposits	220,100	220,100
Other Receivables	7,859,529	7,336,517
Accrued interest	10,435,550	13,926,633
Prepaid Expenses	113,400	113,400
Deferred tax	6,931,804	6,931,804
Capital Work in Progress	5,428,314	-
	417,849,904	397,018,945

Deferred Tax:

In fulfillment of the requirement of International Accounting Standard (IAS) 12, deferred tax has been recognized by the company based on taxable temporary difference in the carrying amounts of the assets and its tax base.

9.00 Borrowings from other banks

a) (i) Borrowings inside Bangladesh	-	-
(ii) Borrowings outside Bangladesh	-	-
	-	-
b) (i) Borrowings with security	-	-
(ii) Borrowings without security	-	-
c) (i) Borrowings payable on demand	-	-
(ii) Borrowings others	-	-

10.00 Other Liabilities

Provision for loans and investment in shares (Note - 10.01)	457,562,509	437,562,509
Interest suspense account (Note - 10.02)	337,872,852	267,333,181
Provision for tax (Note - 10.03)	396,165,264	396,165,264
Liabilities for expenses (Note - 10.04)	32,290,260	30,536,949
Other creditors	4,128,000	4,125,000
Deferred tax liabilities	9,533,775	9,533,775
	1,237,552,660	1,145,256,678

10.01 Provisions for loans, investment in shares and other assets:

i) Provision for loans:		
a) for classified loans		
Opening Balance	108,841,917	105,841,917
Addition during the year	2,714,326	3,000,000
Adjustment made during the year	-	-
Closing Balance	111,556,243	108,841,917

	Amount in Taka	
	31-Dec-19	31-Dec-18
b) for unclassified loans		
Opening Balance	45,317,181	26,383,501
Addition during the year	1,775,674	18,933,680
Adjustment made during the year	-	-
Closing Balance	47,092,855	45,317,181
Total provision for loans (a+b)	158,649,098	154,159,098
ii) Provision for investment in shares:		
Opening Balance	282,332,591	281,194,291
Addition made during the year	15,000,000	2,000,000
Adjustment made during the year	-	(861,700)
Closing Balance	297,332,591	282,332,591
iii) Provision for doubtful assets:		
Opening Balance	1,070,820	4,500
Addition made during the year	510,000	1,066,320
Adjustment made during the year	-	-
Closing Balance	1,580,820	1,070,820
Total provisions	457,562,509	437,562,509
Required Provision :		
Provision for loans	142,955,908	135,325,060
Provision for investment in shares	291,170,187	281,039,909
Provision for doubtful assets	1,574,136	1,070,820
Total	435,700,231	417,435,789

10.02 Interest suspense account

	IDCP	Overdue interest		
Opening Balance	154,619,336	112,713,845	267,333,181	227,472,024
Addition during the year	92,239,066	207,835,735	300,074,801	239,419,322
Total	246,858,402	320,549,580	567,407,982	466,891,346
Repayment/adjustment during the year	22,496,100	207,039,030	229,535,130	199,558,165
Closing Balance	224,362,302	113,510,550	337,872,852	267,333,181

10.03 Provision for tax

Balance at the beginning of the year	396,165,264	396,165,264
Add: Provision for the year	-	-
Less: Adjustment for previous years tax	-	-
Balance at the end of the year	396,165,264	396,165,264

10.04 Liability for Expenses

Liabilities for general & administrative expenses	2,614,482	2,825,234
Provision for gratuity	29,675,778	27,711,715
Total	32,290,260	30,536,949

11.00 Share Capital

	US\$	US\$
Authorized:		
20,000 ordinary shares of US\$ 3,000 each	60,000,000	60,000,000
Issued, subscribed and paid up:		
20,000 ordinary shares of US\$ 3,000 each	60,000,000	60,000,000
These are subscribed by the following shareholders:		
Name of the shareholders	US\$	Equivalent to Taka
Government of Kingdom of Saudi Arabia	30,000,000	1,078,928,400
Government of Bangladesh	30,000,000	1,027,155,905
	60,000,000	2,106,084,305
	Amount in Taka	
	31-Dec-19	31-Dec-18

11.01 Capital adequacy Ratio:

Capital adequacy ratio has been calculated as per DFIM circular no 14 of 28 December 2011 issued by Bangladesh Bank.

Tier-1 (Core Capital)	5,058,352,649	4,930,399,117
Paid-up Capital	2,106,084,305	2,106,084,305
Statutory Reserve	1,112,844,600	1,044,844,600
General Reserve	1,629,423,744	1,569,470,212
Retained Surplus	210,000,000	210,000,000
Tier-2 (Supplementary Capital):	1,031,389,953	1,029,614,279
General provision maintained against unclassified loans	47,092,855	45,317,181
Revaluation Reserve	984,297,098	984,297,098
A) Total Capital (Tier 1 + Tier 2)	6,089,742,602	5,960,013,396
B) Total Risk Weighted Assets	6,351,048,473	5,993,315,061
C) Required capital (10% on Total RWA or MCR, whichever is higher)	1,000,000,000	1,000,000,000
D) Surplus (A-C)	5,089,742,602	4,960,013,396
E) Capital Adequacy Ratio	95.89%	99.44%
F) Core Capital to RWA	79.65%	82.26%
G) Supplementary Capital to RWA	16.24%	17.18%

12.00 Statutory Reserve

Opening Balance	1,044,844,600	976,844,600
Addition during the year	68,000,000	68,000,000
Closing Balance	1,112,844,600	1,044,844,600

13.00 General Reserve

Opening Balance	1,569,470,212	1,509,183,585
Addition during the year	59,953,532	60,286,627
Closing Balance	1,629,423,744	1,569,470,212

	Amount in Taka	
	31-Dec-19	31-Dec-18
14.00 Revaluation Reserve		
Opening Balance	1,968,594,197	1,968,594,197
Addition during the year	-	-
Closing Balance	1,968,594,197	1,968,594,197

In terms of International Accounting Standard (IAS) 16: Property, Plant and Equipment, the company had revalued its 1.5 acres of land located at 79, Nikunja-2, Dhaka-1229 in 2016 by Jorip O Paridarshan Company Ltd., an independent professionally qualified valuation firm. The surplus on revaluation of land has been credited to Revaluation Reserve.

15.00 Retained Surplus

Balance at the beginning of the year	210,000,000	260,000,000
Cash Dividend for last year	(210,000,000)	(260,000,000)
Net Profit after taxation	337,953,532	338,286,627
Profit available for distribution	337,953,532	338,286,627
Appropriation :		
Statutory Reserve	(68,000,000)	(68,000,000)
General Reserve	(59,953,532)	(60,286,627)
Balance at the end of the year	210,000,000	210,000,000

16.00 Interest income

Interest on loans and advances	229,535,130	199,558,165
Interest on employees advances	45,117	55,503
Interest on deposits with other banks	108,299,282	91,268,197
	337,879,529	290,881,865

17.00 Income from Investment

Dividend on investment in shares	10,845,129	23,623,351
Profit/(Loss) on sale of investment in shares	17,071,187	21,704,471
Interest on bond	72,412,228	104,008,814
	100,328,544	149,336,636

18.00 Fees, Commission & Brokerage

Project examination, syndication and management fees	4,761,173	125,696
Documentation fees and others	243,924	-
	5,005,097	125,696

19.00 Other Operating Income

Income from Office Rent	5,567,940	5,567,940
Exchange gain/(loss)	522,742	447,377
Miscellaneous income	4,620	188,964
	6,095,302	6,204,281

	Amount in Taka	
	31-Dec-19	31-Dec-18
20.00 Directors' fees and Expenses		
Directors' fees	425,200	422,400
Annual remuneration	1,252,200	1,240,950
Travelling	5,329,925	4,128,982
	7,007,325	5,792,332
21.00 Other Expenses		
Liveries	107,677	97,804
Repair and maintenance	1,678,584	1,302,837
Fuel, oil and lubricants	523,146	505,479
Travelling and conveyance	986,522	1,834,106
Consultancy fees	567,647	567,966
Donation and subscription	184,003	217,976
Periodicals, news papers and books	37,744	35,512
Entertainment expenses	348,362	363,309
Meeting expenses	381,120	420,528
Bank charges	1,213,150	723,292
Employees welfare and recreation	895,253	897,310
Business development expenses	253,079	222,832
Training expenses	70,160	225,990
Gratuity	8,278,196	5,686,502
CDBL Charges	56,071	80,448
Security service charges	748,371	1,231,648
CSR Contribution	1,500,000	3,000,000
	17,829,085	17,413,539

22.00 Earnings per share

Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with International Accounting Standards (IAS) No. 33 "Earnings Per Share".

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)	337,953,532	338,286,627
Number of ordinary shares outstanding during the year	20,000	20,000
Basic earnings per share (in Taka)	16,898	16,914

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

23 General

23.01 Payment in terms of foreign currency

During 2019, the company incurred an expenditure of US\$ 0.073 million in terms of foreign currency for making payments as TA/DA and subscriptions etc.

23.02 Remuneration paid to the directors

During 2019, the company remitted US\$ 7,500 to Ministry of Finance, KSA as annual remuneration of Saudi Directors while US \$7,500 equivalent in Taka currency was paid to the local Directors.

23.03 Payment of Directors for attending Board Meeting

During the period under review Taka 425,200 was paid to the Directors as fee for attending the Board of Directors meeting, Executive Committee meeting and Audit Committee meeting.

23.04 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors in its meeting held on 07 March 2020.

23.05 Related party transactions

SABINCO had provided term loan to the borrowers in accordance with the terms of the loan agreement and due to the failure of some of the sponsors to repay the loan liabilities; SABINCO was forced to take the responsibility of managing three projects, which is permitted by the memorandum of association of the Company. Other than these three projects there are no other related parties, which are required to be reported.

23.06 Subsequent events

The Board of Directors recommended Taka 210 million cash dividend for the year 2019. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting. Except for the fact stated above, no material events have occurred between the Balance Sheet date and the date when the Financial Statements were authorized for issue by the Board of Directors of the Company which would require adjustment to, or disclosure in, the financial statements or notes thereto.

23.07 Employees information

A total number of 41 employees were employed in SABINCO as on 31 December 2019. All the employees received salary more than Tk. 36,000 p.a. during the period 2019.

23.08 Till December 2019, the company has an undisbursed commitment of TK. 1,312.60 million.


(Ahmed Ehsanul Karim)
Managing Director (Acting)


(Abdur Rouf Tafukder)
Deputy Chairman


(Ahmed M. Al-Ghannam)
Chairman



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