

South Bangla Agriculture and Commerce Bank Limited

Unaudited Financial Statements

For the third quarter ended 30 September 2023

South Bangla Agriculture and Commerce Bank Limited
Consolidated Balance Sheet (Unaudited)
As at 30 September 2023

	Note	30 September 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3	1,075,140,929	987,504,162
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	4,569,476,699	4,305,691,078
		5,644,617,628	5,293,195,240
Balance with other banks and financial institutions			
In Bangladesh	5	2,030,979,826	2,624,168,675
Outside Bangladesh		465,691,345	278,571,754
		2,496,671,171	2,902,740,429
Money at call on short notice	6	600,000,000	-
Investments:			
Government	7	14,419,231,037	14,959,513,358
Others		2,251,868,339	2,167,050,201
		16,671,099,376	17,126,563,559
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8	82,601,579,101	76,045,414,350
Bills purchased and discounted		2,020,431,503	1,781,844,637
		84,622,010,604	77,827,258,987
Fixed assets including premises, furniture and fixtures	9	1,570,036,813	1,743,266,973
Other assets	10	2,391,764,143	1,414,038,668
Non-banking assets		-	-
TOTAL ASSETS		113,996,199,735	106,307,063,856
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	3,752,191,379	4,031,548,707
Deposits and other accounts			
Current / Al-waddeeah current deposits and other accounts	12	11,345,096,870	9,236,436,097
Special notice / mudaraba special notice deposits		4,344,146,424	4,370,193,970
Bills payable		5,160,879,389	3,197,410,868
Savings bank / mudaraba savings deposits		7,313,416,046	6,920,991,538
Fixed / mudaraba term deposits		48,167,047,316	45,698,467,000
Other deposits		13,979,556,938	14,786,087,582
		90,310,142,983	84,209,587,055
Subordinated bonds		-	-
Other liabilities	13	8,847,870,426	7,236,281,537
TOTAL LIABILITIES		102,910,204,788	95,477,417,299
Capital/ Shareholders' equity			
Paid up capital	14.3	8,241,916,500	8,160,313,370
Statutory reserve	15	2,204,928,598	2,204,928,598
General reserve		-	-
Non-controlling (Minority) interest	14.4	432,182	432,182
Other reserve (revaluation reserve on Govt. Securities)	16	31,192,950	65,228,536
Capital reserve	16.1	516,704	516,704
Foreign currency translation reserve	16.2	12,675,503	7,933,440
Surplus in profit and loss account	17	594,332,511	390,293,727
TOTAL SHAREHOLDERS' EQUITY		11,085,994,948	10,829,646,557
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		113,996,199,735	106,307,063,856

OFF-BALANCE SHEET ITEMS**Contingent liabilities**

Acceptance and endorsements

Letters of guarantee

Irrevocable letters of credit

Bills for collection

Other contingent liabilities

Total

Note	30 September 2023 Taka	31 December 2022 Taka
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18

4,422,656,578

4,948,539,066

13,147,118,809

10,830,648,085

6,893,529,436

4,290,338,894

2,628,685,374

1,712,915,295

-

-

27,091,990,197**21,782,441,340****Other commitments**

Documentary credits and short term trade-related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

Claims against the Bank not acknowledged as debt

Total

-

-

-

-

-

-

-

Total off-balance sheet items including contingent liabilities**27,091,990,197****21,782,441,340**

Net asset value per share (NAV)

40

13.45**13.27**

Accompanying notes form an integral part of these financial statements.



 Chief Financial Officer



 Company Secretary



 Chairman



 Director



 Managing Director & CEO (cc)

Dhaka, 30 October 2023

South Bangla Agriculture and Commerce Bank Limited
Consolidated Profit and Loss Account (Unaudited)
For the third quarter ended 30 September 2023

	Note	01 Jan to 30 September 2023	01 Jan to 30 September 2022	01 July to 30 September 2023	01 July to 30 September 2022
		Taka	Taka	Taka	Taka
Interest income / profit on investments	21	5,041,510,399	4,306,732,986	1,762,530,968	1,451,087,945
Less: Interest / profit on deposits and borrowings etc.	22	3,867,540,777	3,388,710,012	1,251,460,743	1,177,013,081
Net interest income		1,173,969,622	918,042,974	511,070,225	274,074,864
Income from investments in shares and securities	23	1,293,212,905	2,177,225,863	420,576,820	231,721,011
Commission, exchange and brokerage	24	779,548,701	886,487,277	292,906,834	335,723,485
Other operating income	25	226,998,353	97,476,744	133,070,250	26,022,898
		2,299,759,959	3,161,189,884	846,553,904	593,467,394
Total operating income		3,473,729,581	4,079,232,858	1,357,624,129	867,542,258
Salary and allowances	26	1,353,613,609	1,138,875,118	504,126,182	438,416,506
Rent, taxes, insurance, electricity etc.	27	135,612,220	122,246,603	52,971,643	40,358,312
Legal and professional expenses	28	3,899,554	8,427,049	1,552,616	5,000,142
Postage, stamp, telecommunication etc.	29	5,241,834	10,673,894	1,593,940	2,271,217
Stationery, printing, advertisement etc.	30	39,548,241	32,823,044	11,989,151	8,181,323
Chief executive's salary and fees	31	9,060,000	11,258,800	3,180,000	5,238,800
Directors' fees	32	2,344,000	1,792,000	560,000	744,000
Auditors' fees	33	57,500	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34	296,903,377	280,320,976	98,682,559	94,704,735
Other expenses	35	181,150,685	1,100,370,214	58,172,667	(241,050,273)
Total operating expenses		2,027,431,020	2,706,787,698	732,828,758	353,864,762
Profit before provision		1,446,298,561	1,372,445,160	624,795,371	513,677,496
Provision for loan					
Specific provision	13.3	222,785,013	266,289,144	142,188,799	15,935,700
Special general provision - COVID-19	13.4	(4,112,643)	(95,912,696)	783,634	(34,103,290)
General provision on loans and advances - main operation	13.3	124,027,049	-	108,833,016	(115,400,256)
General provision on loans and advances - OBU	13.3	134,282	-	317,295	-
General provision on off balance sheet items	13.5	40,481,925	216,819,602	4,070,897	216,819,602
		383,315,626	387,196,050	256,193,641	83,251,756
Provision for rebate to good borrowers		-	(19,000,000)	-	-
Provision for diminution in value of investments	13.7	1,738,247	64,751,847	-	9,846,689
Other provision		-	-	-	-
Total provision		385,053,873	432,947,897	256,193,641	93,098,445
Total Profit before taxes		1,061,244,688	939,497,263	368,601,730	420,579,051
Provision for taxation	36	568,738,826	349,903,654	212,290,112	91,888,315
Net profit after taxation		492,505,862	589,593,609	156,311,618	328,690,736
Earnings per share (EPS)	41	0.60	0.72	0.19	0.40

Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO (cc)

Dhaka, 30 October 2023


South Bangla Agriculture and Commerce Bank Limited
Consolidated Cash Flow Statement (Unaudited)
For the third quarter ended 30 September 2023

	Note	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
		Taka	Taka
A) Cash flows from operating activities			
Interest receipts in cash		5,189,169,488	4,413,806,661
Interest payments		(3,841,236,727)	(2,468,586,791)
Dividend receipts		45,459,672	68,599,333
Income from investments		1,290,119,657	1,086,193,993
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		327,640,977	84,583,838
Cash payments to employees		(1,353,613,609)	(1,151,925,918)
Cash payments to suppliers		(173,896,640)	(150,757,157)
Income taxes paid		(227,864,492)	(566,860,584)
Receipts from other operating activities		226,998,353	97,476,744
Payments for other operating activities		(211,684,112)	(179,062,315)
Operating profit before changes in operating assets and liabilities		1,271,092,567	1,233,467,804
Increase / decrease in operating assets and liabilities			
Net proceeds from trading securities		1,554,377,324	(2,547,227,849)
Loans and advances to other banks		(600,000,000)	(120,000,000)
Loans and advances to customers		(6,556,164,751)	(7,179,205,495)
Increase / decrease of other assets	37.1	(977,725,475)	(897,249,312)
Deposits from other banks		772,701,440	490,962
Deposits from customers		5,342,542,502	7,407,862,143
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38.1	1,362,297,600	154,047,581
		898,028,640	(3,181,281,970)
Net cash from operating activities		2,169,121,207	(1,947,818,166)
B) Cash flows from investing activities			
Net proceeds from sale of Government securities		(1,561,403,987)	(164,269,491)
Payments for Purchase of Government securities		-	-
Purchase of property, plant and equipment		(172,536,566)	(372,790,687)
Sale proceeds of property, plant and equipment		-	-
Net cash from investing activities		(1,733,940,553)	(537,060,178)
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(201,360,446)	(2,793,644,369)
Dividends paid		(288,467,078)	(168,614,539)
Receipts from issue of ordinary share		-	-
Net cash from financing activities		(489,827,524)	(2,962,258,908)
D) Net increase / (decrease) in cash (A+B+C)		(54,646,870)	(5,447,133,252)
E) Effects of exchange rate changes on cash and cash-equivalent		-	805,149,434
F) Cash and cash-equivalents at beginning period		8,195,935,669	11,463,415,793
G) Cash and cash-equivalents at end of period (D+E+F)		8,141,288,799	6,821,431,974
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	1,075,140,929	932,646,857
Balances with Bangladesh Bank and its agent bank(s)	4	4,569,476,699	3,656,641,890
Balances with other Banks and Financial institutions	5	2,496,671,171	2,232,143,227
		8,141,288,799	6,821,431,974

Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO (cc)

Dhaka, 30 October 2023

South Bangla Agriculture and Commerce Bank Limited
Consolidated Statement of Changes in Equity (Unaudited)
For the third quarter ended 30 September 2023


Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital Reserve	F.C. Translation Reserve Taka	Retained Earnings Taka	Minority Interest Taka	Total Taka
Balance as on 01 January 2023	8,160,313,370	2,204,928,598	65,228,536	516,704	7,933,440	390,293,727	432,182	10,829,646,557
Net profit for the period	-	-	-	-	-	492,505,862	-	492,505,862
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to statup fund	-	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(34,035,586)	-	-	-	-	(34,035,586)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	4,742,063	-	-	4,742,063
Transfer to capital reserve	-	-	-	-	-	-	-	-
Non-controlling (Minority) interest	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	(288,467,078)	-	(288,467,078)
Stock dividend issued	81,603,130	-	-	-	-	-	-	81,603,130
Balance as on 30 september 2023	8,241,916,500	2,204,928,598	31,192,950	516,704	12,675,503	594,332,511	432,182	11,085,994,948

For the quarter ended 30 September 2022

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital Reserve	F.C. Translation Reserve Taka	Retained Earnings Taka	Minority Interest Taka	Total Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	-	251,592	704,530,934	405,167	10,628,407,324
Net profit for the period	-	-	-	-	-	589,577,907	15,702	589,593,609
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to statup fund	-	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills,	-	-	(33,938,359)	-	-	-	-	(33,938,359)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	3,245,995	-	-	3,245,995
Non-controlling (Minority) interest	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	(244,809,401)	-	(244,809,401)
Stock dividend issued	313,858,200	-	-	-	-	(313,858,200)	-	-
Balance as on 30 September 2022	8,160,313,370	1,947,493,989	95,332,113	-	3,497,587	735,441,240	420,869	10,942,499,168

These financial statements should be read in conjunction with the annexed notes.


Chief Financial Officer


Company Secretary


Chairman


Director



Managing Director & CEO (cc)

Dhaka, 30 October 2023

South Bangla Agriculture and Commerce Bank Limited
Consolidated Liquidity Statement (asset and liabilities maturity analysis)
As at 30 September 2023

Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
Assets:						
Cash in hand (including foreign currencies)	1,075,140,929	-	-	-	-	1,075,140,929
Balance with Bangladesh Bank and its agent Banks	1,194,708,699	-	-	-	3,374,768,000	4,569,476,699
Balance with other banks & financial institutions	1,201,387,325	280,355,693	1,014,948,153	-	-	2,496,671,171
Money at call on short notice	600,000,000	-	-	-	-	600,000,000
Investments	485,016,783	966,675,600	493,549,091	1,363,759,601	13,362,098,302	16,671,099,376
Loans and advances	12,360,800,691	16,832,271,383	27,065,144,043	16,567,092,045	11,796,702,442	84,622,010,604
Fixed assets including premises, furniture and fixtures	26,486,606	42,973,211	238,379,456	1,134,425,568	127,771,972	1,570,036,813
Other assets	327,677,331	839,213,879	787,608,292	48,491,152	388,773,489	2,391,764,143
Non-Banking assets	-	-	-	-	-	-
Total Assets	17,271,218,364	18,961,469,766	29,599,629,035	19,113,768,366	29,050,114,205	113,996,199,735
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	857,021,573	1,477,076,469	1,127,932,996	128,266,356	339,553,401	3,929,850,796
Deposits and other accounts	12,940,735,366	15,555,187,756	25,117,788,014	14,546,844,070	22,072,268,566	90,232,823,772
Provisions and other liabilities	50,062,302	383,978,070	1,965,229,950	1,221,520,899	5,227,079,205	8,847,870,426
Total Liabilities	13,847,819,241	17,416,242,295	28,210,950,960	15,896,631,325	27,638,901,172	103,010,544,994
Net liquidity surplus	3,423,399,123	1,545,227,470	1,388,678,074	3,217,137,040	1,411,213,033	10,985,654,742
Cumulative liquidity surplus	3,423,399,123	4,968,626,594	6,357,304,668	9,574,441,708	10,985,654,742	

Net result of the liquidity statement represents the shareholders' equity.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO (cc)

Dhaka, 30 October 2023

South Bangla Agriculture and Commerce Bank Limited

Balance Sheet (Unaudited)

As at 30 September 2023


	Note	30 September 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3.1	1,075,124,799	987,490,568
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	4,569,476,699	4,305,691,078
		5,644,601,498	5,293,181,646
Balance with other banks and financial institutions			
In Bangladesh	5.1	1,990,047,270	2,612,225,831
Outside Bangladesh		465,691,345	278,571,754
		2,455,738,615	2,890,797,585
Money at call on short notice	6	600,000,000	-
Investments:			
Government	7.1	14,419,231,037	14,959,513,358
Others		2,019,905,611	1,993,824,684
		16,439,136,648	16,953,338,042
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8.1	82,864,575,304	76,210,473,378
Bills purchased and discounted		2,020,431,503	1,781,844,637
		84,885,006,807	77,992,318,015
Fixed assets including premises, furniture and fixtures	9.1	1,552,086,462	1,724,623,028
Other assets	10.1	2,663,256,418	1,772,643,590
Non-banking assets		-	-
TOTAL ASSETS		114,239,826,449	106,626,901,906
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.1	3,752,191,379	4,031,548,707
Deposits and other accounts			
Current / Al-wadeeah current deposits and other accounts	12.1	11,345,096,870	9,238,002,337
Special notice / mudaraba special notice deposits		4,394,481,550	4,382,625,127
Bills payable		5,160,879,389	3,197,410,868
Savings bank / mudaraba savings deposits		7,313,416,046	6,920,991,538
Fixed / mudaraba term deposits		48,521,247,316	46,074,316,715
Other deposits		13,979,556,938	14,786,087,582
		90,714,678,109	84,599,434,167
Subordinated bonds		-	-
Other liabilities	13.1	8,752,829,414	7,199,371,669
TOTAL LIABILITIES		103,219,698,902	95,830,354,543
Capital/ Shareholders' equity			
Paid up capital	14.3	8,241,916,500	8,160,313,370
Statutory reserve	15	2,204,928,598	2,204,928,598
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16	31,192,950	65,228,536
Foreign currency translation reserve	16.2	12,675,503	7,933,440
Surplus in profit and loss account	17.1	529,413,996	358,143,419
TOTAL SHAREHOLDERS' EQUITY		11,020,127,547	10,796,547,363
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		114,239,826,449	106,626,901,906

	Note	30 September 2023 Taka	31 December 2022 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	18		
Acceptance and endorsements		4,422,656,578	4,948,539,066
Letters of guarantee		13,147,118,809	10,830,648,085
Irrevocable letters of credit		6,893,529,436	4,290,338,894
Bills for collection		2,628,685,374	1,712,915,295
Other contingent liabilities		-	-
Total		27,091,990,197	21,782,441,340
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		27,091,990,197	21,782,441,340
Net asset value per share (NAV)	40.1	13.37	13.23

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Chairman


Director


Managing Director & CEO (cc)

Dhaka, 30 October 2023

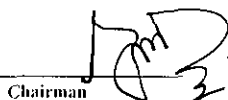
South Bangla Agriculture and Commerce Bank Limited
Profit and Loss Account (Unaudited)
For the third quarter ended 30 September 2023

	Note	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022	01 July to 30 September 2023	01 July to 30 September 2022
		Taka	Taka	Taka	Taka
Interest income / profit on investments	21.1	5,034,772,828	4,307,053,180	1,828,097,118	1,451,413,644
Less: Interest / profit on deposits and borrowings etc.	22.1	3,882,707,662	3,402,040,614	1,323,851,295	1,182,109,041
Net interest income		1,152,065,166	905,012,566	504,245,823	269,304,603
Income from investments in shares and securities	23.1	1,274,631,725	2,162,480,320	407,754,567	217,299,646
Commission, exchange and brokerage	24.1	750,605,171	871,329,323	282,679,380	321,761,695
Other operating income	25.1	226,928,530	97,417,106	133,043,346	471,535,297
		2,252,165,426	3,131,226,749	823,477,293	1,010,596,638
Total operating income		3,404,230,592	4,036,239,315	1,327,723,116	1,279,901,241
Salary and allowances	26.1	1,335,055,627	1,132,340,511	498,418,038	434,859,974
Rent, taxes, insurance, electricity etc.	27.1	134,496,931	121,324,968	52,586,893	39,666,677
Legal and professional expenses	28.1	3,776,401	8,294,841	1,517,998	4,867,934
Postage, stamp, telecommunication etc.	29.1	5,092,634	10,646,044	1,444,740	2,243,367
Stationery, printing, advertisement etc.	30.1	39,399,709	32,590,694	11,942,498	7,974,228
Chief executive's salary and fees	31	9,060,000	11,258,800	3,180,000	5,238,800
Directors' fees	32.1	2,096,000	1,592,000	496,000	696,000
Auditors' fees	33.1	57,500	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34.1	295,409,033	280,120,448	98,094,944	94,504,207
Other expenses	35.1	175,605,199	1,097,305,756	56,256,086	202,720,882
Total operating expenses		2,000,049,034	2,695,474,062	723,937,197	792,772,069
Profit before provision		1,404,181,558	1,340,765,253	603,785,919	487,129,172
Provision for loan					
Specific provision	13.3	222,785,013	266,289,144	142,188,799	15,935,700
Special general provision - COVID-19	13.4	(4,112,643)	(95,912,696)	783,634	(34,103,290)
General provision on loans and advances - main operation	13.3	124,027,049	-	108,833,016	(115,400,256)
General provision on loans and advances - OBU	13.4	134,282	-	317,295	-
General provision on off balance sheet items	13.5	40,481,925	216,819,602	4,070,897	216,819,602
		383,315,626	387,196,050	256,193,641	83,251,756
Provision for rebate to good borrowers		-	(19,000,000)	-	-
Provision for diminution in value of investments	13.7	1,738,247	54,905,158	-	-
Other provision		-	-	-	-
Total provision		385,053,873	423,101,208	256,193,641	83,251,756
Total Profit before taxes		1,019,127,685	917,664,045	347,592,278	403,877,416
Provision for taxation	36	559,390,030	343,772,149	209,344,996	87,111,307
Net profit after taxation		459,737,655	573,891,896	138,247,282	316,766,109
Earnings per share (EPS)	41.1	0.56	0.70	0.17	0.39

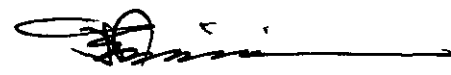
Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Chairman


Director


Managing Director & CEO (cc)

Dhaka, 30 October 2023

South Bangla Agriculture and Commerce Bank Limited

Cash Flow Statement (Unaudited)

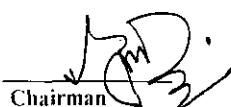
For the third quarter ended 30 September 2023

	Notes	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
		Taka	Taka
A) Cash flows from operating activities			
Interest receipts in cash		5,194,615,791	4,414,106,855
Interest payments		(3,805,362,034)	(2,481,917,393)
Dividend receipts		45,459,672	68,599,333
Income from investments		1,274,631,725	1,071,448,450
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		302,322,233	69,425,884
Cash payments to employees		(1,344,115,627)	(1,145,191,311)
Cash payments to suppliers		(173,896,640)	(149,443,114)
Income taxes paid	10.2	(227,864,492)	(562,154,842)
Receipts from other operating activities		226,998,353	97,417,106
Payments for other operating activities		(211,684,112)	(175,997,857)
Operating profit before changes in operating assets and liabilities		1,281,104,869	1,206,293,111
Increase / decrease in operating assets and liabilities			
Sale / purchase of trading securities		1,553,683,730	(2,547,227,849)
Loans and advances to other banks		(600,000,000)	(120,000,000)
Loans and advances to customers		(6,794,751,617)	(7,330,081,598)
Increase / decrease of other assets	37	(890,612,828)	(887,748,479)
Deposits from other banks		772,701,440	490,962
Deposits from customers		5,342,542,502	7,451,029,451
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38	1,553,457,745	97,883,901
		937,020,972	(3,335,653,612)
Net cash from operating activities		2,218,125,841	(2,129,360,501)
B) Cash flows from investing activities			
Net Proceeds from sale of securities		(1,561,403,987)	(14,607,005)
Payments for Purchase of securities		-	(365,728,002)
Purchase of property, plant and equipment		(172,536,566)	-
Sale proceeds of property, plant and equipment		-	-
Net cash from investing activities		(1,733,940,553)	(380,335,007)
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(279,357,328)	(2,793,644,369)
Dividends paid		(288,467,078)	(168,614,539)
Receipts from issue of ordinary share		-	-
Net cash from financing activities		(567,824,406)	(2,962,258,908)
D) Net increase / (decrease) in cash (A+B+C)		(83,639,118)	(5,471,954,416)
E) Effects of exchange rate changes on cash and cash-equivalent		-	805,149,434
F) Cash and cash-equivalents at beginning period		8,183,979,231	11,463,415,793
G) Cash and cash-equivalents at end of period (D+E+F)		8,100,340,113	6,796,610,811
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	1,075,124,799	932,645,538
Balances with Bangladesh Bank and its agent bank(s)	4	4,569,476,699	3,656,641,890
Balances with other Banks and Financial institutions	5	2,455,738,615	2,207,323,383
		8,100,340,113	6,796,610,811


Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Chairman


Director


Managing Director & CEO (cc)

Dhaka, 30 October 2023

South Bangla Agriculture and Commerce Bank Limited
Statement of Changes in Equity (Unaudited)
For the third quarter ended 30 September 2023

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2023	8,160,313,370	2,204,928,598	65,228,536	7,933,440	358,143,419	10,796,547,363
Net profit for the period	-	-	-	-	459,737,655	459,737,655
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(34,035,586)	-	-	(34,035,586)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	4,742,063	-	4,742,063
Stock dividend issued	81,603,130	-	-	-	-	81,603,130
Cash dividend paid	-	-	-	-	(288,467,078)	(288,467,078)
Balance as on 30 September 2023	8,241,916,500	2,204,928,598	31,192,950	12,675,503	529,413,996	11,020,127,547

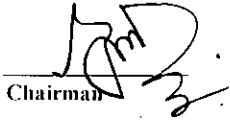
For the quarter ended 30 September 2022

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,285
Net profit for the period	-	-	-	-	573,891,896	573,891,896
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(33,938,359)	-	-	(33,938,359)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	3,245,995	-	3,245,995
Stock dividend issued	313,858,200	-	-	-	(313,858,200)	-
Cash dividend paid	-	-	-	-	(244,809,401)	(244,809,401)
Balance as on 30 September 2022	8,160,313,370	1,947,493,989	95,332,113	3,497,587	714,593,357	10,921,230,416

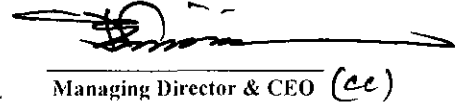
These financial statements should be read in conjunction with the annexed notes.


Chief Financial Officer


Company Secretary


Chairman


Director


Managing Director & CEO (cc)

Dhaka, 30 October 2023


South Bangla Agriculture and Commerce Bank Limited
Liquidity Statement (asset and liabilities maturity analysis)
As at 30 September 2023

Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
Assets:						
Cash in hand (including foreign currencies)	1,075,124,799	-	-	-	-	1,075,124,799
Balance with Bangladesh Bank and its agent Banks	1,194,708,699	-	-	-	3,374,768,000	4,569,476,699
Balance with other banks & financial institutions	1,760,454,769	280,335,693	414,948,153	-	-	2,455,738,615
Money at call on short notice	600,000,000	-	-	-	-	600,000,000
Investments	485,016,783	966,675,600	493,549,091	1,363,759,601	13,130,135,574	16,439,136,648
Loans and advances	12,360,800,691	16,832,271,383	27,065,144,043	16,567,092,045	12,059,698,645	84,885,006,807
Fixed assets including premises, furniture and fixtures	26,486,606	42,973,211	238,379,456	1,134,425,568	109,821,621	1,552,086,462
Other assets	327,677,331	839,213,879	787,608,292	48,491,152	660,265,764	2,663,256,418
Non-Banking assets	-	-	-	-	-	-
Total Assets	17,830,269,678	18,961,469,766	28,999,629,035	19,113,768,366	29,334,689,604	114,239,826,448
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	857,021,573	1,299,417,052	1,127,932,996	128,266,356	517,212,818	3,929,850,796
Deposits and other accounts	12,940,735,366	16,055,187,756	25,922,323,140	14,046,844,070	21,672,268,566	90,637,358,898
Provisions and other liabilities	49,999,174	379,235,320	1,961,778,828	1,220,777,752	5,141,038,340	8,752,829,414
Total Liabilities	13,847,756,113	17,733,840,128	29,012,034,964	15,395,888,178	27,330,519,724	103,320,039,108
Net liquidity surplus	3,982,513,565	1,227,629,637	(12,405,930)	3,717,880,187	2,004,169,881	10,919,787,341
Cumulative liquidity surplus	3,982,513,565	5,210,143,203	5,197,737,273	8,915,617,460	10,919,787,341	

Net result of the liquidity statement represents the shareholders' equity.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO (cc)

Dhaka, 30 October 2023

South Bangla Agriculture and Commerce Bank Limited
Notes to the Financial Statements
as at and for the third quarter ended 30 September 2023

1 General information

1.1 Status of the bank

South Bangla Agriculture and Commerce Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability by shares as on February 20, 2013 under the Companies Act 1994 to carry out banking business. The registered office of the Bank is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. It obtained license from Bangladesh Bank for carrying out banking business on March 25, 2013 under the Bank Companies Act 1991. The Bank has been carrying out its business in Bangladesh through its eighty eight (88) branches; twenty five (25) sub-branches all over Bangladesh and one (01) Off-shore banking unit in head office. The Bank went for initial public offering in 2021 and its share is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited from 11 August 2021 as a publicly traded company.

1.2 Nature of business

Principal activities

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh i.e. accepting customer deposits, lending to retail, small and medium enterprise (SME) and corporate customers, trade financing, lease financing, project financing, issuing letters of credit, interbank borrowing and lending, dealing with government securities etc. In addition to the traditional banking system, the Bank started Islamic Shariah base banking business through Islamic banking windows (IBW) in 10 branches of the Bank during the period.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU, was one as at 30 September 2023, located at International Division, Head Office, SBAC Bank Ltd., Dhaka.

The principal activities of the OBUs are to provide commercial banking services through its Unit within the rules & regulations and guidelines of Bangladesh Bank applicable for the Off-shore Banking Units.

Agent Banking Outlet

The Bank has started agent banking operation in 2022 with a view to reach unbanked population particularly in the geographically dispersed areas and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank has 24 agent outlets across the country. This service includes offering all types of deposit accounts and other banking services including bills payments, inward foreign remittance, fund transfer etc.

Information regarding subsidiary

The Bank has 01 (one) subsidiary, SBAC Bank Investment Limited.

SBAC Bank Investment Limited

SBAC Bank Investment Limited, a subsidiary company of the Bank, incorporated as a private company, limited by shares, registered with the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no. C-169950/2021 dated 21 March 2021 under the Companies Act 1994. SBAC Bank Investment Limited got the Trading Right Entitlement Certificate (TREC) no. Nibondhon/DSE/TREC#267/2021/294 dated 01 September 2021 of Dhaka Stock Exchange Limited (DSE). The primary activity of the company is to act as a stock broker & dealer to execute buy and sell order and to maintain its own portfolio as well as customers' portfolio under the discretion of customers.

2 Basis of preparation of financial statements and significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Bank as at 30 June 2023 have been prepared on going concern basis under historical cost convention and in accordance with the "First Schedule" of the Bank Companies Act, 1991 as amended by BRPD Circular No. 14 dated 25th June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. As per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. In case of any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank prevailed. Material departures from the requirements of IFRS are as follows:

i) Presentation of Financial statements

IFRS: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, statement of cash flows, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (Section 38) of the Bank Company Act 1991 (amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format, there is no option to present assets and liabilities under current and non-current classifications.

ii) Investment in shares and securities (Equity Shares, Mutual Funds etc.)

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per net assets value of last audited balance sheet respectively. As per Department of Off-site Supervision (DOS) Circular Letter No. 03 date 12 March 2015 investments in mutual fund (close-end) is revalued at lower of cost and higher of market value and 85% of NAV. And as per DOS Circular Letter No. 10 date 28 June 2015 investments in mutual fund (open-end) is revalued at lower of cost and higher of market value and 95% of NAV. As per DOS Circular No. 01 date 10 February 2020 any investment under the special fund for investment in capital market is not revalued i.e. presented at cost. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: According to Department of Offsite Supervision (DOS) Circular # 05, dated 26 May 2008 and subsequent clarification in DOS Circular # 05, dated 28 January 2009 of Bangladesh Bank, Government securities (Treasury Bill / Treasury Bond) are classified in Held for Trading (HFT) and Held to Maturity (HTM). HFT securities are revalued on the basis of mark to market and any gain on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserve as a part of equity and any loss on revaluation of securities which have not matured as at balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount is recognized in the profit and loss account. HTM securities which have not matured as at balance sheet date are measured at amortized cost method and gains or losses on amortization are recognized in other reserve as a part of equity.

iv) Provision on loans and advances/investments

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular letter no. 53 (22 December 2022), BRPD circular letter no. 52 (20 October 2020), BRPD circular No. 16 (21 July 2020), BRPD circular no.24 (17 November 2019), BRPD circular no.6 (19 May 2019), BRPD circular no.4 (16 May 2019), BRPD circular no.3 (21 April 2019), BRPD circular no.15 (27 September 2017), BRPD circular no.16 (18 November 2014), BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 & BRPD circular no. 16 dated 18 November 2014, a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9. However, if there is any stay order issued by the Honourable High Court Division of the Supreme Court of Bangladesh against any non-performing loans for reporting such loans as unclassified category, the Bank maintains at least general provision for such loans under unclassified loan category as per Bangladesh Bank guidelines. Where Bangladesh Bank suggests any additional provision to be maintained for such loans, the Bank complies with that.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified as impaired, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

vi) Other comprehensive income and appropriation of profit

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

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

vii) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

viii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, financial guarantees such as letters of credit, letters of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at as per BRPD Circular No. 06, dated 25th April 2023 against off-balance sheet exposures (which includes undrawn loan commitments).

ix) Cash and cash equivalents

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

Bangladesh Bank: Some cash and cash equivalent items such as money at call on short notice, treasury bills with maturity of more than three months and prize bond are not shown as cash and cash equivalents. Money at call on short notice is shown separately in the balance sheet. Treasury bills with maturity of more than three months and prize bond are shown under investment in the balance sheet.

x) Repo and reverse repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per Department of Off-Site Supervision (DOS) Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognised in the seller's book and recognised in the buyer's book. However, as per Debt Management Department (DMD) circular letter no. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

xi) Non-banking asset

IFRS: No indication of Non-banking assets is found in any IFRS.

Bangladesh Bank: As per BRPD 14, there is a separate balance sheet item named Non-banking assets existed in the standard format.

xii) Cash flow statement

IFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, cash flow is the mixture of direct and indirect methods.

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

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

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

xiv) Presentation of intangible assets

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular No. 14 dated 25th June 2003.

xv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, off balance sheet items (e.g. Letters of credit, Letters of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xvi) Loans and advances net of provision

IFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

xvii) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

2.2 Going concern basis of accounting

The accompanying financial statements have been prepared on going concern assumption that the Bank will continue its operation over the foreseeable future. The bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the bank continued to demonstrate a healthy trend. The rating outlook of the Bank as reported by all the rating agencies is 'Stable'.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its one subsidiary, SBAC Bank Investment Limited, made up to the end of the financial year as on 30 September 2023. The consolidated financial statements have been prepared in accordance with IFRS 10 "Consolidated Financial Statements" using purchase method. The consolidated financial statements have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiary

Subsidiary is an enterprise which is controlled by the parent company. Control exists when the parent company has the power, directly and indirectly, to govern the financial and operating policies of an enterprise from the date of control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that the control effectively commences until the date that it control effectively ceases.

Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and Loss resulting from transactions is also eliminated on consolidation.

2.4 Use of estimates and judgment

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

- a. Provisions on loans and advances
- b. Income tax provision
- c. Deferred Tax
- d. Useful life of fixed assets and right of use assets
- e. Defined benefit obligation-gratuity
- f. Lease liabilities

2.5 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, the Bank discloses its information consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies, correction of errors, the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

2.6 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The financial statements of the group and the Bank are presented in Bangladeshi Taka which is the Bank's functional and presentation currency.

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per IAS-21, "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into equivalent BDT.

Assets and liabilities of off-shore Banking Unit (OBU) are translated at the exchange rate prevailing at the balance sheet date. Income and expenses in the profit and loss account of OBU are translated at an average rate approximating the exchange rates at the year end. Resulting exchange differences are recognized as a separate component of equity.

As per IAS 21, Foreign Currency Transactions i.e. both the foreign currency denominated monetary and non-monetary items of the OBUs are translated at historical rate because the OBUs are considered as an integral part of the Bank's operation not a foreign operation due to specific regulations governing the OBU and its unique nature.

c) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

d) Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

2.7 Cash flow statement

The cash flow statement has been prepared in accordance with IAS 7, Cash Flow Statements considering the requirements specified in BRPD circular No. 14 dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.8 Statement of changes in equity

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

2.9 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared either on the basis of their maturity schedule or residual maturity term as provided in the statement.

2.10 Reporting period

These financial statements of the Bank cover period from 1 January to 30 June 2023.

2.11 Investment in Govt. Securities

In accordance with Bangladesh Bank guideline the Bank has classified investment into the following categories :

- Held to Maturity (HTM)
- Held for Trading (HFT)

In accordance with DOS circular No.05 (26 May 2008) and DOS circular 5 (28 January 2009) treasury securities held for Statutory Liquidity Ratio (SLR) compliance could be classified as either HTM or HFT. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity. Coupon interest on HTM securities is recognised in profit and loss account. HFT securities are revalued on the basis of mark to market on weekly basis and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account.

2.12 Investment in quoted / unquoted securities

The investment in quoted shares are revalued as per market price in the stock exchange(s). The Bank's investments in shares (unquoted) are recorded at cost and income thereon is accounted for when the right to receive payment is established. Provisions are made for any loss arising from diminution in value of investments. Bonus share in their own self will have no value as the fair value of each shareholder's interest should be unaffected by the bonus issue, hence no accounting entries are passed in the book for bonus share received.

2.13 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business.

Loans and advances are measured at amortised cost. These are stated gross, with accumulated specific and general provisions for loans and advances being shown under other liabilities.

2.14 Provisions on loans and advances

At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with Bangladesh Bank BRPD circular letter no. 53 dated 22 December 2022, BRPD circular no. BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 52 dated 29 December 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular no. 19 dated 26 August 2021, 2021 BRPD circular no. 05 dated 24 March 2021, BRPD circular no. 03 dated 31 January 2021, BRPD circular no. 56 dated 10 December 2020, BRPD circular no.52 dated 20 October 2020, BRPD circular no.16 dated 21 July 2020, BRPD circular no. 24 (17 November 2019), BRPD circular no.6 (19 May 2019), BRPD circular no. 5 (16 May 2019) and BRPD circular no.3 (21 April 2019), BRPD circular no.1 (20 February 2018), BRPD circular no.15 (27 September 2017), BRPD circular no.16 (18 November 2014), BRPD circular no.14 (23 September 2012), BRPD circular no. 19 (27 December 2012) and BRPD circular no. 05 (29 May 2013). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates for general provision is 1% to 2% and specific provision is 5% to 100%.

The provisioning rates are as follows:

	2023	2022
General provision on:		
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance	1.00%	1.00%
Unclassified loans/investment for loans to professionals	2.00%	2.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	2.00%
Unclassified agricultural loans	1.00%	1.00%
Specific provision on:		
Unclassified loans/advances rescheduled under BRPD 05/2019	100.00%	100.00%
Substandard loans and advances/investments other than agricultural loans and cottage, micro & small enterprise finance	20.00%	20.00%
Substandard loans and advances on cottage, micro & small enterprise finance	5.00%	5.00%
Doubtful loans and advances/investment other than agricultural loans and cottage, micro & small enterprise finance	50.00%	50.00%
Doubtful loans and advances on cottage, micro & small enterprise	20.00%	50.00%
Substandard and doubtful on agricultural loans	5.00%	5.00%
Bad/loss advances/investments	100.00%	100.00%
Special general provision for COVID 19		
Loans and advances on cottage, micro & small enterprise finance	1.00%	1.00%
Other than SME loans and advances	2.00%	2.00%

In line with Bangladesh Bank BRPD Circular no. 04 dated January 29, 2015, All restructured loans treated as Special Mention Account (SMA) for the purpose of classification. Provision was made at existing applicable rate of SMA with additional 1%.

BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) also provides scope for further provisioning based on qualitative judgments. In these circumstances impairment losses are calculated on individual loans considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach, the higher of the two is recognised in liabilities under "Provision for loans and advances" with any movement in the provision charged/released in the profit and loss account. Classified loans are categorised into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013) and BRPD circular No.2 (13 January 2003). A separate Debt Collection Unit (DCU) has been set up which monitors loans written off and legal action taken through the money loan court. These write-offs do not undermine or affect the amount claimed against the borrower by the Bank.

The DCU maintains a separate record for all individual cases written off by each branch. The DCU follow-up on the recovery efforts of these written off loans and reports to management on a periodic basis. Written off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

2.15 Property, plant and equipment

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

b) Depreciation is charged for the period at the following rates using straight-line method on all fixed assets:

Category of fixed assets	Rate
Motor vehicles	20%
Machinery & equipments	20%
Furniture & Fixture	10%
Interior Decoration	10%
Computer & Accessories	20%
Software	20% or remaining usable periods
Other tools	20%
Right of use assets	Remaining lease periods

c) For additions during the period, depreciation is charged from the month those have been booked and for disposal depreciation is charged up to the previous month of disposal.

d) On disposal of fixed assets, the book value of the assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the book value of the asset and net sale proceeds.

e) Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset have been capitalized as part of the cost of the asset as per IAS 23.

2.16 Intangible asset

An intangible asset is to be recognized only if it is probable the future economic benefits attributable to the asset will flow to the bank and the cost of the asset can be measured reliably. Recognition & measurement of intangible asset are guided by IAS 38 – "Intangible Asset". Due to following BRPD circular no. 14 dated 25th June 2003 intangible assets are not disclosed in a separate line rather in is reported under fixed assets. However, separate line item along with the rate of amortization is identifiable in the detail schedule of fixed assets.

2.17 Provisions for other assets

BRPD circular No.12 dated 12 April 2022 requires provision as per following rates :

Particulars	Outstanding Period	Rate
Advance for revenue expenses	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Advance for capital expenses	more than 12 months	100%
Legal expenses realizable from customers	from transaction date	50%
	more than 12 months	100%
Protested Bills	from transaction date	100%
Unadjusted debit entries in inter-branch transaction	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted debit entries in nostro account	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Accrued Interest on loans and advances, investments and other	more than 6 months but less than 12 months	50%

advances, investments and other accrued income	more than 12 months	100%
Security Deposits (not collected from expiry date)	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted sanchayapatra, wage earners' bond, army pension fund, civil pension fund etc.	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Other Assets	more than 6 months but less than 12 months	50%
	more than 12 months	100%

2.18 Non banking assets

There are no assets acquired in exchange for loan during the period of financial statements.

2.19 Securities purchased under re-sale agreement

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The amount lent is shown as an asset either as loans and advances to customers or loans to other banks.

The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

2.20 Reconciliation of inter-bank and inter-branch account

Accounts with regard to inter-bank are reconciled regularly and there are no differences which may affect the financial statements significantly. Un-reconciled entries / balances in the case of inter-branch transactions as on the reporting date are Nil.

2.21 Statutory reserve

Bank Company Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

2.22 Other reserve

Other reserve comprises investment revaluation reserve and fixed assets revaluation reserve. When carrying amount of an item of property, plant and equipment is increased as a result of revaluation, the increased amount is classified directly to equity under heading of assets revaluation reserve as per IAS 16 – "Property, Plant and Equipment". As per Bangladesh Bank DOS circular no. 5 dated 26th May 2008, revaluation gain arising from revaluation of government securities under HFT category is kept directly in equity under revaluation gain account which is disclosed with other reserve while preparing the financial statements.

2.23 Non-controlling (minority) interest in subsidiary

Non-controlling (minority) interest in subsidiary is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the non-controlling (minority) interest in the subsidiary company is always less than 50% of outstanding shares, else the corporation would cease to be a subsidiary of the parent. Non-controlling (minority) interest belongs to other investors and is reported on the consolidated balance sheet of the owing company to reflect the claim on assets belonging to other, non-controlling shareholders. Also, non-controlling (minority) interest is reported on the consolidated income statement as a share of profit belonging to non-controlling (minority) shareholders.

2.24 Deposits and other accounts

Deposits by customers and banks are recognized when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

2.25 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the profit and loss account.

2.26 Employees benefits

a. Short term benefits

Short-term benefits are employee benefits which fall due wholly within twelve month after the end of the period in which the employees render the related service. The Bank provides various short term benefits to its employees like incentive bonus, leave fare assistance etc.

b. Provident fund

The benefits of provident fund are given to the employees of the Bank in accordance with the Provident Fund Rules as per section 2(52) of Income Tax Ordinance, 1984. The Provident Fund was recognized by National Board of Revenue on 12th May 2015. Separate bank account is maintained to manage the fund. All confirmed employees of the Bank contribute 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount to the Fund. Interest earned from the investments of fund is credited to the members' accounts on yearly basis.

c. Gratuity

As per the Employees Service Rules of the Bank, gratuity shall be admissible to all regular employees who have completed continuous service for a period of 7 (seven) years in the Bank but in case of experienced banker recruited through head hunting the admissible period is 5 (five) years. The amount of gratuity shall be calculated at the rate of 2 (two) months' last drawn basic pay for each completed years of service. The Bank is developing the fund to meet up its future obligation. National Board of Revenue recognized the gratuity fund on 10 April 2016.

d. Workers Profit Participation Fund and Welfare Fund

SRO-336-AIN/2010 dated,5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honourable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2022.

e. Other benefits

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

2.27 Provision for liabilities

Provision are recognized in the Balance Sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with IAS 37 - "Provisions, Contingent Liabilities and Contingent Assets".

2.28 Provision for Off-balance sheet items:

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. Provision for Off Balance Sheet (OBS) has been maintained as per BRPD Circular No. 06, dated April 25, 2023.

2.29 Provision for current taxation

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates as prescribed in the Income Tax Ordinance 1984 and relevant Statutory Regulatory Orders (SRO) and any adjustment to tax payable in respect of previous years. As per the Finance Act 2022 the current income tax rate applicable for the banks is 37.50%. The estimation of current tax provision involves making judgments regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax

2.30 Provision for deferred tax

Deferred tax liabilities / assets are the amount of income tax payable / recoverable in future years in respect of taxable /deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing difference arising between the carrying values of assets, liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS 12 "Income Taxes".

2.31 Revenue recognition

The various types of revenue are recognised by the Bank under the following ways:

2.31.1 Interest income (conventional banking)

In terms of the provision of the IFRS 9 - "Financial Instruments" the interest income is recognized on accrual basis. In accordance with BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) interest accrued on sub-standard loans and doubtful loans are credited to an "Interest Suspense Account" which is included within "Other liabilities". Interest from loans and advances ceases to be accrued when they are classified as bad/loss. The interest is then kept in a memorandum account. Interest received on sub-standard loans, doubtful loans and bad/loss loans are retained in the "Interest Suspense Account" until the loan is no longer considered to be impaired.

2.31.2 Profit on investment (Islamic banking)

Income from general investments is accounted for on accrual basis except investments under Musharaka, Mudaraba, Bai-Salam, Bai-as-Sarf and Ijarah modes, where the investment income is accounted for on realization basis. The Wing does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis.

2.31.3 Investment income

Income on investments is recognized on accrual basis. Investment income includes discount on treasury bills and interest on treasury bonds. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

2.31.4 Fees and commission income

The Bank earns fees and commission from a diverse range of services provided to its customers. Fees and commission income is recognized on realization basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.31.5 Dividend income on shares

Dividend income from an investment is recognised when the Bank's right to receive payment is established (declared and approved by the shareholders in the Annual General Meeting of the investee).

2.31.6 Interest paid on borrowings and deposits (conventional banking)

Interest paid on borrowings and deposits is calculated on daily basis and recognized on accrual basis.

2.31.7 Profit shared on deposits (Islamic banking)

Profit on deposits are recognized on accrual basis. Mudaraba depositors of the IBW share income derived from investing activities deploying the Mudaraba funds. Income under these categories includes profit, dividend, capital gain, rent, exchange gain and any other gain derived from deployment of Mudaraba funds.

2.31.8 Management and other expenses

Expenses incurred by the Bank are recognized on accrual basis.

2.32 Earnings per share (EPS)

Earnings per share (EPS) have been calculated in accordance with IAS 33 – “Earnings per Share”, which is shown on the face of the Profit & Loss Account. This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding as on 30 June 2023. This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

No diluted earnings per share are required to be calculated for the period, as there was no element or scope for dilution during the period under review.

2.33 Off-setting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the Balance Sheet when and only when the Bank has a legal right to offset the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains or losses arising from a group of similar transactions.

2.34 Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service centre, call centre, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

The Bank applied IFRS 16 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments, discounted it using incremental borrowing rate at the date of initial application, and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented under property, plant and equipment in the financial statements.

After initial recognition of lease liability, the Bank increase the carrying amount to reflect the interest on the lease liability and thereafter reduce the carrying amount while the lease payments has been made. And re-measured the carrying amount for any lease modifications.

While implementation IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset. Immovable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

The Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement and considered lease of 'Generator space' and 'ATM Booths and other installations' as low value asset. The Bank recognises lease payments associated with these leases as an expense. On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 6%.

Bank has applied "COVID 19 related rent concession (amendment to IFRS 16 2020,)" and "COVID 19 related rent concession (amendment to IFRS 16 2021,)" regarding the amendment of lease modification clause i.e. 46A & 46B and applied the practical expedient to rent concessions that meet the conditions in paragraph 46B.

2.35 Dividend policy

The Bank's policy is to maximize the shareholders' wealth. As a result, the bank tries to allocate optimum dividend to the shareholders for each operational year, after payment of income tax, transfer of fund to regulatory reserve, provision for loans and advances, etc. Final dividend is recognized when it is approved by the shareholders in the Annual General Meeting. The payment of dividend is made within the time prescribed by the Bangladesh Securities and Exchange Commission.

2.36 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements dated 31 December 2022.

Particulars	Date of Rating	Long term	Short term	Rating Valid
Credit Rating Information and Services Limited (CRISL)	25 June 2023	A	ST-2	24 June 2024

2.37 Accounting standards adopted

The Institute of Chartered Accountants of Bangladesh (ICAB) is the official standard setting body as well as the regulator of accounting profession of the country. ICAB has adopted most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). The Bank has applied all the applicable IASs and IFRSs for preparation and presentation of these financial statements except described in note no. 2.1.

Name of IASs / IFRSs	IASs / IFRSs	No.	Status
Presentation of Financial Statements	IAS	1	*Complied
Inventories	IAS	2	Not Applicable
Statement of Cash Flows	IAS	7	*Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Complied
Events after the Reporting Period	IAS	10	Complied
Income Taxes	IAS	12	Complied
Property, Plant and Equipment	IAS	16	Complied
Employee Benefits	IAS	19	Complied
Accounting for Government Grants and Disclosures of Government Assistance	IAS	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS	21	Complied
Borrowing Costs	IAS	23	Not Applicable
Related Party Disclosures	IAS	24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	Not Applicable
Separate Financial Statements	IAS	27	Complied
Investments in Associates and Joint Ventures	IAS	28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS	29	Not Applicable
Financial Instruments : Presentation	IAS	32	*Complied
Earnings Per Share	IAS	33	Complied
Interim Financial Reporting	IAS	34	Complied
Impairment of Assets	IAS	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Complied
Intangible Assets	IAS	38	Complied
Financial Instruments : Recognition and Measurement	IAS	39	*Complied
Investment Property	IAS	40	Not Applicable
Agriculture	IAS	41	Not Applicable
First-time Adoption of International Financial Reporting Standards	IFRS	1	Complied
Share-based Payment	IFRS	2	Not Applicable
Business Combinations	IFRS	3	Complied
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Complied
Exploration for and Evaluation of Mineral Resources	IFRS	6	Not Applicable
Financial Instruments : Disclosures	IFRS	7	*Complied
Operating Segments	IFRS	8	Complied
Financial Instruments	IFRS	9	*Complied
Consolidated Financial Statements	IFRS	10	Complied
Joint Arrangements	IFRS	11	Not Applicable

Disclosure of Interests in Other Entities	IFRS	12	Complied
Fair Value Measurement	IFRS	13	*Complied
Regulatory Deferral Accounts	IFRS	14	Not Applicable
Revenue from Contracts with Customers	IFRS	15	Complied
Leases	IFRS	16	Complied
Insurance Contracts	IFRS	17	Not Applicable

* Subject to departure disclosed in note no. 2.1.

2.38 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out above to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2022 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB vide letter 1/1/ICAB-2017 decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on these financial statements.

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

(a) IFRS 17 Insurance contract

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

2.39 Information about business segments

Segments information is presented in respect of group's business. Business segments report consists of products and services whose risks and returns are different from those of other business segments. These Segments comprise conventional banking, Islamic banking, offshore banking and SBAC Bank Investment Ltd.

2.40 Utilization of IPO fund

During the year, the Bank has fully utilized the fund collected through Initial Public Offering and subsequently obtained Auditor's report M/S G.Kibria & Co. Chartered Accountants for the utilization of fund received through IPO. The said utilization has been made withing the time stipulated in the prospectus.

2.41 Event after balance sheet date : N/A

2.41 General

- i) Figures appearing in these financial statements have been rounded off to the nearest Taka.
- ii) Figures of 2022 have been rearranged as per current year's presentation.

2.42 Approval of the Financial Statements

The Board of Directors of the Bank, in its 172nd meeting held on 30 October 2023, approved the financial statements of the Bank for the third quarter ended 30 September 2023 and signed these statements on the same day.

	30 September 2023 Taka	31 December 2022 Taka
3. Cash in hand (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 3.1)	1,075,124,799	987,490,568
SBAC Bank Investment Limited	16,130	13,594
	<u>1,075,140,929</u>	<u>987,504,162</u>
3.1 Cash in hand (including foreign currencies) of the Bank		
Local currency	1,067,076,904	980,174,738
Foreign currencies	8,047,895	7,315,830
	<u>1,075,124,799</u>	<u>987,490,568</u>
4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 4.1)	4,569,476,699	4,305,691,078
SBAC Bank Investment Limited	-	-
	<u>4,569,476,699</u>	<u>4,305,691,078</u>
4.1 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank		
Bangladesh Bank		
In local currency	3,980,867,615	3,655,236,495
In foreign currencies	588,609,084	650,454,583
	<u>4,569,476,699</u>	<u>4,305,691,078</u>
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<u>4,569,476,699</u>	<u>4,305,691,078</u>
5. Balance with other banks and financial institutions - Consolidated		
In Bangladesh		
SBAC Bank Limited (note 5.1)	1,990,047,270	2,612,225,831
SBAC Bank Investment Limited	445,467,682	24,374,001
	<u>2,435,514,952</u>	<u>2,636,599,832</u>
Less : Inter company transactions	404,535,126	12,431,157
	<u>2,030,979,826</u>	<u>2,624,168,675</u>
Outside Bangladesh		
SBAC Bank Limited (note 5.1)	465,691,345	278,571,754
SBAC Bank Investment Limited	-	-
	<u>465,691,345</u>	<u>278,571,754</u>
	<u>2,496,671,171</u>	<u>2,902,740,429</u>
5.1 Balance with other banks and financial institutions of the Bank		
In Bangladesh		
Main Operation (note 5.3)	2,218,139,526	2,825,250,163
Off-shore Banking Unit	78,485,211	54,987,907
Less: Inter bank transactions	(306,577,467)	(268,012,239)
	<u>1,990,047,270</u>	<u>2,612,225,831</u>
Outside Bangladesh		
Main Operation (note 5.4)	465,691,345	278,571,754
	<u>2,455,738,615</u>	<u>2,890,797,585</u>
5.2 Balance with other banks and financial institutions - Main Operation		
In Bangladesh (note 5.3)	2,218,139,526	2,825,250,163
Outside Bangladesh (note 5.4)	465,691,345	278,571,754
	<u>2,683,830,871</u>	<u>3,103,821,917</u>
5.3 In Bangladesh		
Balance with other banks :		
In current deposit accounts with		
Sonali Bank Limited	19,636,577	72,926,045
Dutch Bangla Bank Limited	-	1,027
Eastern Bank Limited	2,757,763	13,900,701
	<u>22,394,340</u>	<u>86,827,773</u>

	30 September 2023 Taka	31 December 2022 Taka
In special notice deposit accounts with		
Janata Bank Limited	92,654,892	148,019,161
Eastern Bank Limited	32,368,312	11,257,764
Sonali Bank Limited	4,650,693	-
Mercantile Bank Limited	406,754	406,754
Bank Asia Limited	26	26
Standard Bank Limited	89,919	89,323
Jamuna Bank Limited	16,840	16,840
Al-Arafa Islami Bank Limited	12,207	13,539
Trust Bank Limited	23,397,299	38,281,426
Union Bank Limited	3,686	4,844
IFIC Bank Limited	16,599	17,667
Rupali Bank Limited	401,958	434,215
	154,019,185	198,541,559
In fixed deposit accounts with		
NCC Bank Limited	-	500,000,000
	-	500,000,000
Balance with financial institutions :		
Phoenix Finance Limited	195,800,000	197,100,000
International Leasing & Financial Services Limited	578,500,000	578,500,000
Industrial & Infrastructure Development Finance Company Limited	17,900,000	23,300,000
Fareast Finance and Investment Limited	257,500,000	257,500,000
FAS Finance Limited	264,300,000	264,300,000
Premier Leasing and Finance Limited	130,700,000	130,900,000
Union Capital Limited	173,000,000	174,200,000
- Bangladesh Finance and Investment Company Limited	200,000,000	200,000,000
	1,817,700,000	1,825,800,000
Placement of fund with SBAC Bank Off-shore Banking Unit	224,026,001	214,080,831
	2,218,139,526	2,825,250,163

5.4 Outside Bangladesh

In demand deposit accounts (non-interest bearing) with

Particulars	Currency	30 September 2023			31 December 2022		
		Amount in foreign currency	Exchange rate for per unit	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
AB Bank, Mumbai	ACU	(101,615)	110.50	(11,228,486)	395,064	103.30	40,808,919
Aktif Yatirim Bankasi A.S.	EURO	389,284	116.68	45,420,455	8,775	109.71	962,758
AXIS Bank Ltd., Mumbai	ACU	230,673	110.50	25,489,360	569,300	103.30	58,807,023
Banca UBAE SPA	EURO	747,418	116.68	87,206,448	370,478	109.71	40,645,726
Bank of HUZHOU Co.	CNY	490,553	15.12	7,417,160	-	-	-
Habib American Bank,	USD	(1,046,941)	110.50	(115,686,985)	210,587	103.30	21,752,992
Habib Metropolitan Bank Ltd., Karachi	ACU	7,824	110.50	864,506	7,924	103.30	818,482
Koomin Bank, Seoul	USD	7,973	110.50	880,971	55,240	103.30	5,706,109
Mashreq Bank PSC, New York	USD	3,308,751	110.50	365,617,035	611,133	103.30	63,128,233
National Bank of Pakistan,	JPY	2,120,571	0.74	1,572,191	1,793,571	0.77	1,384,637
Sonali Bank (UK) Ltd.	EURO	20,032	116.68	2,337,323	33,922	109.71	3,721,680
Sonali Bank (UK) Ltd.	GBP	41,158	134.21	5,524,011	6,597	124.27	819,841
Sonali Bank (UK) Ltd.	USD	4,549	110.50	502,678	43,233	103.30	4,465,851
Sonali Bank Ltd. Kolkata	ACU	364,101	110.50	40,233,149	276,462	103.30	28,557,657
United Bank of India, Kolkata	ACU	48,989	110.50	5,413,238	34,717	103.30	3,586,144
Yes Bank Ltd.	ACU	37,360	110.50	4,128,291	32,970	103.30	3,405,702
				465,691,345			278,571,754
In demand deposit accounts (interest bearing)				-			-
Total Outside Bangladesh				465,691,345			278,571,754

	30 September 2023	31 December 2022
	Taka	Taka
5.5 Maturity grouping of balance with other banks and financial institutions of the Bank		
On demand	482,092,039	567,499,527
Within one month	678,362,730	798,541,559
Within one to three months	280,335,693	330,000,000
Within three to twelve months	1,014,948,153	1,194,756,499
Within one to five years	-	-
More than five years	-	-
	2,455,738,615	2,890,797,585
6. Money at call on short notice		
With banks	600,000,000	-
With non bank financial institutions	-	-
	600,000,000	-

	30 September 2023 Taka	31 December 2022 Taka
7. Investments in shares & securities - Consolidated		
Government :		
SBAC Bank Limited	14,419,231,037	14,959,513,358
SBAC Bank Investment Limited	-	-
	<u>14,419,231,037</u>	<u>14,959,513,358</u>
Other :		
SBAC Bank Limited	2,019,905,611	1,993,824,684
SBAC Bank Investment Limited	231,962,728	173,225,517
	<u>2,251,868,339</u>	<u>2,167,050,201</u>
	<u><u>16,671,099,376</u></u>	<u><u>17,126,563,559</u></u>
7.1 Investments in shares & securities of the Bank		
Government securities		
Treasury bills		
91-day treasury bills	-	-
182-day treasury bills	-	-
364-day treasury bills	-	-
30-day Bangladesh Bank bills	-	-
Treasury bonds		
2-Year treasury bonds	-	-
3-Year treasury bonds	-	-
5-Year treasury bonds	284,108,924	912,414,357
10-Year treasury bonds	2,355,538,747	2,550,177,567
15-Year treasury bonds	5,725,821,043	5,556,038,878
20-Year treasury bonds	5,777,995,323	5,664,821,056
Ijarah Sukuk Bond	274,330,000	274,330,000
	<u>14,417,794,037</u>	<u>14,957,781,858</u>
Total treasury bills and bonds	<u>14,417,794,037</u>	<u>14,957,781,858</u>
Prize bonds	1,437,000	1,731,500
Total Government securities	<u>14,419,231,037</u>	<u>14,959,513,358</u>
Other investments (note 7.3)	<u>2,019,905,611</u>	<u>1,993,824,684</u>
	<u><u>16,439,136,648</u></u>	<u><u>16,953,338,042</u></u>
7.2 Classification of investments in shares & securities of the Bank as per Bangladesh Bank Circular		
Government treasury bills and bonds		
Held for Trading (HFT)	753,953,478	1,984,807,326
Held to Maturity (HTM)	10,578,288,657	10,233,273,242
Re-measured	1,848,537,743	1,417,373,474
Ijarah Sukuk Bond	274,330,000	274,330,000
Encumbered Govt. securities	962,684,159	1,047,997,816
Total treasury bills and bonds	<u>14,417,794,037</u>	<u>14,957,781,858</u>
Reverse-REPO with Bangladesh Bank	-	-
Prize bonds	1,437,000	1,731,500
Total Government securities	<u>14,419,231,037</u>	<u>14,959,513,358</u>
Other investments (note 7.3)	<u>2,019,905,611</u>	<u>1,993,824,684</u>
	<u><u>16,439,136,648</u></u>	<u><u>16,953,338,042</u></u>
7.3 Other investments		
In quoted shares	1,412,623,445	1,388,548,318
In quoted mutual funds	103,700,795	101,694,995
In unquoted shares	3,581,371	3,581,371
In preference shares	500,000,000	500,000,000
	<u>2,019,905,611</u>	<u>1,993,824,684</u>
7.4 Maturity grouping of investments		
On demand	1,678,983	1,731,500
Within one month	483,337,800	498,456,171
Within one to three months	966,675,600	996,912,342
Within three to twelve months	493,549,091	508,986,862
Within one to five years	1,363,759,601	1,406,416,773
More than five years	13,130,135,574	13,540,834,394
	<u>16,439,136,648</u>	<u>16,953,338,042</u>

	30 September 2023	31 December 2022
	Taka	Taka
8. Loans, advances and lease / investments - Consolidated		
Loans, cash credit, overdrafts etc. / investments :		
SBAC Bank Limited (note 8.1)	82,864,575,304	76,210,473,378
SBAC Bank Investment Limited	323,679,709	343,620,002
	83,188,255,013	76,554,093,380
Less : Inter-company transaction	586,675,912	508,679,030
	82,601,579,101	76,045,414,350
Bills purchased and discounted :		
SBAC Bank Limited (note 8.1)	2,020,431,503	1,781,844,637
SBAC Bank Investment Limited	-	-
	2,020,431,503	1,781,844,637
	84,622,010,604	77,827,258,987
8.1 Loans, advances, lease and investments of the Bank		
Loans, cash credit, overdrafts etc. / investments :		
Main Operation	82,864,575,304	75,989,719,025
Off-shore banking unit	-	220,754,353
	82,864,575,304	76,210,473,378
Bills purchased and discounted :		
Main Operation	1,786,248,816	1,781,844,637
Off-shore banking unit	234,182,687	-
	2,020,431,503	1,781,844,637
	84,885,006,807	77,992,318,015
8.2 Loans, cash credit, overdrafts etc. / investments of the Bank		
In Bangladesh:		
Overdrafts / bai murabaha	23,248,301,162	21,280,851,367
Cash credit / bai murabaha :		
General cash credit / bai murabaha	5,517,554,445	5,411,595,647
Agriculture cash credit / bai murabaha	110,329,993	220,468,407
SME cash credit	8,751,794,552	9,090,869,778
General cash credit under stimulus finance	108,540,500	115,148,570
SME cash credit / bai murabaha under stimulus finance	42,213,727	106,877,819
	14,530,433,217	14,944,960,221
Loans, lease and investments :		
Loans against trust receipt / murabaha post import	1,857,222,513	1,114,598,227
Export packing credit	147,010,316	134,521,005
Payment against document	18,146,904	276,345,060
Time loans	4,714,488,492	4,263,994,759
EDF loans	1,448,799,087	2,183,323,819
Demand loans / murabaha	5,769,802,448	2,934,018,818
Lease finance	736,806,257	653,322,670
House building finance / HPSM real estate	1,322,865,726	1,118,007,079
General term loans / bai murabaha	21,486,933,300	20,147,847,937
SME term loans / bai murabaha	4,947,908,779	4,628,549,783
Agriculture term loans / bai murabaha	546,891,033	605,893,912
Short term micro credit	729,488,253	811,468,030
Personal loans / HPSM	79,554,033	81,030,555
Auto loans / HPSM vehicles,	75,876,062	73,762,792
Credit Card	327,562,663	307,387,987
Block account for rescheduled loan	245,385,180	81,944,375
Staff loans / HPSM	631,099,879	568,644,982
	45,085,840,925	39,984,661,790
	82,864,575,304	76,210,473,378
Outside Bangladesh	-	-
	82,864,575,304	76,210,473,378
8.3 Bills purchased and discounted of the Bank		
Inside Bangladesh		
Inland bills purchased and discounted	1,728,999,168	1,732,956,132
Outside Bangladesh		
Foreign bills purchased and discounted	57,249,648	48,888,505
	1,786,248,816	1,781,844,637

	30 September 2023	31 December 2022
	Taka	Taka
8.4 Maturity grouping of loans, advances and lease / investments including bills purchased and discounted		
On demand	6,099,049,979	5,603,805,235
Within one month	6,261,750,712	5,753,294,619
Within one to three months	16,832,271,383	15,465,485,744
Within three to twelve months	27,065,144,043	24,867,445,980
Within one to five years	16,567,092,045	15,221,839,050
More than five years	12,059,698,645	11,080,447,387
	84,885,006,807	77,992,318,015
8.5 Loans, advances and lease / investments including bills purchased and discounted are classified into following broad categories		
(a) Loans, advances and lease / investments (note 8.2)		
In Bangladesh		
Loans	45,085,840,925	39,984,661,790
Cash credit	14,530,433,217	14,944,960,221
Overdraft	23,248,301,162	21,280,851,367
	82,864,575,304	76,210,473,378
Outside Bangladesh	-	-
	82,864,575,304	76,210,473,378
(b) Bills purchased and discounted (note 8.3)		
In Bangladesh	1,728,999,168	1,732,956,132
Outside Bangladesh	57,249,648	48,888,505
	1,786,248,816	1,781,844,637
	84,650,824,120	77,992,318,015
8.6 Loans, advances and lease / investments including bills purchased and discounted on the basis of significant concentration		
i. Loans, advances and lease / investments to Directors of the bank	690,374,313	150,531,587
ii. Loans, advances and lease / investments to CEO and other senior executives	442,205,312	398,093,990
iii. Loans, advances and lease / investment to staffs other than in sl. no. ii	188,894,568	170,550,992
iv. Loans, advances and lease / investments to customers' group	83,563,532,614	77,273,141,446
	84,885,006,807	77,992,318,015
iv. Disclosure on large loans		
Disclosure on large loans i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital (Tier I + Tier II) of the Bank on solo basis was Taka 11,126,531,896 as at 31 December 2022.		
(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital	17	17
(b) Amount of outstanding loans and advances to the clients mentioned in iv (a) above	18,292,236,504	16,519,623,894
(c) Amount of classified loans and advances out of the amount mentioned in iv (b) above	-	-
(d) Measures taken for recovery of the amount mentioned in iv (c) above	-	-
8.7 Geographical location-wise loans, advances and lease / investments including bills purchased and discounted		
Urban		
Dhaka Division	52,538,355,815	48,272,225,082
Chattogram Division	8,419,764,269	7,736,076,808
Khulna Division	5,635,546,175	5,177,938,084
Rajshahi Division	2,369,722,283	2,177,300,101
Barishal Division	1,254,971,767	1,153,067,672
Sylhet Division	432,513,104	397,392,906
Rangpur Division	1,763,931,421	1,620,699,644
Mymensingh	193,602,044	177,881,498
	72,608,406,878	66,712,581,795
Rural		
Dhaka Division	4,631,066,977	4,255,022,907
Chattogram Division	2,985,314,153	2,742,905,721
Khulna Division	3,553,019,297	3,264,513,032
Rajshahi Division	112,167,110	103,059,106
Barishal Division	565,191,301	519,297,593
Sylhet Division	316,659,309	290,946,475
Rangpur Division	113,181,782	103,991,386
	12,276,599,929	11,279,736,220
	84,885,006,807	77,992,318,015

	30 September 2023	31 December 2022
	Taka	Taka
8.8 Industry-wise loans, advances and lease / investments including bills purchased and discounted		
Agriculture, fisheries and forestry	2,902,506,274	2,666,821,867
Agro base processing industries	6,531,986,675	6,001,587,338
Small & medium enterprise financing (SMEF)	30,878,934,944	28,371,555,881
RMG & textile industries	8,937,313,331	8,211,600,726
Hospitals, clinics & medical colleges	706,321,864	648,968,310
Trade & commerce	6,711,396,630	6,166,429,149
Transport and communications	616,084,467	566,058,218
Rubber & plastic industries	1,883,115,575	1,730,206,008
Iron, steel & aluminium industries	3,774,863,134	3,468,343,081
Printing & Packaging industries	208,508,046	191,577,128
Other manufacturing industries	7,798,297,650	7,165,073,470
Housing & construction industries	1,070,310,629	983,401,075
Consumer credit	1,122,102,659	1,030,987,576
Others	11,743,264,930	10,789,708,188
	<u>84,885,006,807</u>	<u>77,992,318,015</u>
8.9 Broad economic sector-wise segregation of loans, advances and lease / investments including bills purchased and discounted		
Government and autonomous bodies	-	-
Other public sector	-	-
Private sector	84,885,006,807	77,992,318,015
	<u>84,885,006,807</u>	<u>77,992,318,015</u>

8.10 Required provision for loans, advances and lease / investments including bills purchased and discounted

Particulars	Amount of outstanding loans and advances as at 30th September 2023	Base for Provision	Rate	Amount of required provision as at 30th September 2023	Amount of required provision as at 31 December 2022
I) General provision :					
a) Consumer finance	445,948,630	445,948,630	2.00%	8,918,973	8,723,362
b) Staff loans	631,099,880	631,099,880	0.00%	-	-
c) Housing finance	1,312,103,987	1,312,103,987	1.00%	13,121,040	11,455,666
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	28,654,251,953	28,654,251,953	0.25%	71,635,630	66,425,783
f) Loans to BH, MB, SD, etc.	1,528,873,263	1,528,873,263	1.00%	15,288,733	33,275,918
g) Agricultural and micro credit	2,519,018,416	2,519,018,416	1.00%	25,190,184	26,668,219
h) Others	45,458,249,300	45,458,249,300	1.00%	454,582,493	382,478,358
i) Special general provision- COVID-19	-	-	1%, 1.5% & 2%	79,897,446	84,793,723
	<u>80,549,545,427</u>	<u>80,549,545,427</u>		<u>668,634,498</u>	<u>613,821,029</u>
II) Specific provision :					
a) Unclassified	-	1,240,786,361	100.00%	1,240,786,361	1,098,625,909
b) Unclassified	-	-	1.00%	-	-
c) Sub-standard (CMS)	16,202,781	6,128,709	5.00%	306,435	264,038
d) Sub-standard (other)	124,393,156	64,824,306	20.00%	12,964,861	12,939,249
e) Doubtful (CMS)	380,933,228	75,632,089	20.00%	15,126,418	24,710,600
f) Doubtful (other)	320,369,600	234,190,546	50.00%	117,095,273	59,323,890
g) Bad / loss	3,493,562,668	1,308,913,659	100.00%	1,308,913,659	1,303,909,089
	<u>4,335,461,433</u>	<u>2,930,475,669</u>		<u>2,695,193,007</u>	<u>2,499,772,775</u>
Total provision required	<u>84,885,006,861</u>	<u>83,480,021,096</u>		<u>3,363,827,505</u>	<u>3,113,593,804</u>
Total provision maintained				<u>3,086,427,505</u>	<u>2,743,593,804</u>
Provision to be maintained*				<u>277,400,000</u>	<u>370,000,000</u>
Surplus / (deficit)				-	-

* The Department of Off-site Supervision of Bangladesh Bank through letter reference no. DOS (CAMS)1157/41(dividend)/2023-2113 dated 25 April 2023, approved deferral against the deficit provision upto the finalization of financial statements for the year ended 31 December 2023.

	30 September 2023 Taka	31 December 2022 Taka
8.11 Classification of loans, advances and lease / investments including bills purchased and discounted		
Unclassified loans and advances		
On-shore Banking Unit		
i) Standard	79,512,728,637	72,581,570,838
ii) Special mention account (SMA)	802,634,050	1,158,772,857
	80,315,362,686	73,740,343,695
Off-shore Banking Unit		
i) Standard	234,182,687	220,754,353
ii) Special mention account (SMA)	-	-
	234,182,687	220,754,353
	80,549,545,373	73,961,098,048
Classified loans and advances		
On-shore Banking Unit		
Sub-standard	140,595,937	128,031,446
Doubtful	701,302,828	526,978,256
Bad / loss	3,493,562,668	3,376,210,265
	4,335,461,433	4,031,219,967
Off-shore Banking Unit		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	4,335,461,433	4,031,219,967
Total	84,885,006,807	77,992,318,015
8.12 Particulars of loans, advances and lease / investments including bills purchased and discounted		
i) Loans considered good in respect of which the banking company is fully secured	79,614,312,056	72,913,973,544
ii) Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	1,074,957,495	1,004,813,102
iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	4,195,737,310	4,073,531,369
iv) Loans adversely classified: provision not maintained there against	-	-
	84,885,006,807	77,992,318,015
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	1,321,474,193	719,176,569
vi) Loan due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members	690,374,313	150,531,587
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the banking companies or any of them either separately or jointly with any other persons	1,321,474,193	719,176,569
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firm in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	690,374,313	150,531,587
ix) Due from other banking companies	-	-
x) Classified loans and advances :		
(a) Amount of classified loan on which interest has not been charged	4,335,461,433	4,031,219,967

	30 September 2023 Taka	31 December 2022 Taka
(b) (Decrease)/increase in specific provision during the period	222,785,013	303,609,894
(c) Amount of loan written off during the period	-	-
(d) Amount realized against loan previously written off	-	-
(e) Amount of provision kept against loan classified as bad/loss as on the Balance Sheet date	1,308,913,659	1,303,909,089
(f) Interest creditable to the interest suspense accounts	1,946,136,875	1,514,315,563
xi) Cumulative amount of the written off loan	-	-
xii) Amount written off in the year	-	-
xiii) Amount of written off loan for which lawsuit has been filed for recovery	-	-
8.13 Bills purchased and discounted		
In Bangladesh	1,728,999,168	1,732,956,132
Outside Bangladesh	57,249,648	48,888,505
	1,786,248,816	1,781,844,637
8.14 Bills purchased and discounted on the basis of the residual maturity grouping		
Within one month	719,635,880	717,861,544
Within one to three months	474,614,325	473,444,115
Within three to six months	263,166,184	262,517,321
More than six months	328,832,427	328,021,657
	1,786,248,816	1,781,844,637

	30 September 2023	31 December 2022
	Taka	Taka
9. Fixed Assets including premises, furniture and fixtures - Consolidated		
SBAC Bank Limited (note 9.1)	1,552,086,462	1,724,623,028
SBAC Bank Investment Limited	17,950,351	18,643,945
	<u>1,570,036,813</u>	<u>1,743,266,973</u>
9.1 Fixed Assets including premises, furniture and fixtures of the Bank		
Motor vehicles	70,788,653	70,788,653
Machinery and equipments	349,168,551	341,998,488
Furniture and fixtures	115,740,799	111,216,490
Interior decoration	374,800,292	370,375,116
Computers and accessories	446,423,720	441,543,120
Softwares	214,587,651	212,787,651
Other tools	54,694,332	53,125,614
Right of use assets (Lease assets)	1,808,528,858	1,674,774,555
	<u>3,434,732,856</u>	<u>3,276,609,687</u>
Less : Accumulated depreciation	1,882,646,394	1,551,986,659
	<u>1,552,086,462</u>	<u>1,724,623,028</u>
10. Other Assets - Consolidated		
Income generating other assets		
SBAC Bank Limited	399,600,000	399,600,000
SBAC Bank Investment Limited	354,200,000	375,849,715
	<u>753,800,000</u>	<u>775,449,715</u>
Non-income generating other assets		
SBAC Bank Limited	2,263,656,418	1,373,043,590
SBAC Bank Investment Limited	128,107,725	44,035,912
	<u>2,391,764,143</u>	<u>1,417,079,502</u>
	<u>3,145,564,143</u>	<u>2,192,529,217</u>
Less : Inter-company transaction	753,800,000	778,490,549
Total other assets	<u>2,391,764,143</u>	<u>1,414,038,668</u>
10.1 Other Assets of the Bank		
Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
Advance income tax (note 10.2)	1,527,614,994	852,437,461
Stock of stationeries and stamps	12,244,917	18,370,244
Advance rent, advertisement, etc.	15,195,965	17,518,275
Accrued interest and commission receivable	470,205,958	324,123,140
Advance and security deposits	4,374,655	4,190,355
Protested bills	20,894,000	20,894,000
Central clearing, EFT, NPSB adjustment account	(3,063,980)	1,411
Deferred tax asset	22,474,959	22,474,959
Receivable from SBAC Investment Ltd	11,697,377	-
Suspense accounts (note 10.3)	182,017,573	113,033,745
	<u>2,663,256,418</u>	<u>1,772,643,590</u>
10.2 Advance income tax		
Opening balance	852,437,461	554,589,498
Add : Paid during the year		
Income tax deducted at source	447,313,041	98,369,414
Advance income tax paid	227,864,492	594,296,600
	<u>675,177,533</u>	<u>692,666,014</u>
	1,527,614,994	1,247,255,512
Less : Adjustment during the year	-	394,818,051
Closing balance	<u>1,527,614,994</u>	<u>852,437,461</u>
10.3 Suspense accounts		
Sundry debtors	98,137,717	46,295,774
Receivable from Stock Brokers	123,761	2,891,216
Advance for merchant payment	1,903,569	1,022,287
Receivable for payment against Sanchayapatra (interest & principal encashme	32,524,296	31,260,221
Receivable against cash incentive on remittance	-	19,726,272
Receivable from remittance houses	2,500,000	2,000,000
Advance against expenses	33,926,580	824,681
Advance against fixed assets	20,401,550	6,210,956
Other prepaid expenses	(7,499,900)	2,802,338
	<u>182,017,573</u>	<u>113,033,745</u>
11. Borrowings from other banks, financial institutions and agents - Consolidated		
SBAC Bank Limited (note 11.1)	3,752,191,379	4,031,548,707
SBAC Bank Investment Limited	586,675,912	508,679,030
	<u>4,338,867,291</u>	<u>4,540,227,737</u>
Less : Inter-company transaction	586,675,912	508,679,030
	<u>3,752,191,379</u>	<u>4,031,548,707</u>

	30 September 2023	31 December 2022
	Taka	Taka
11.1 Borrowings from other banks, financial institutions and agents of the Bank		
Main Operation (note 11.2)	3,752,191,379	4,031,548,707
Off-shore Banking Unit	228,092,256	213,024,332
Less : Inter bank transactions	(228,092,256)	(213,024,332)
	<u>3,752,191,379</u>	<u>4,031,548,707</u>
11.2 Borrowings from other banks, financial institutions and agents (Main Operation)		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Agro based industries	34,039,227	31,431,510
Green industries	67,083,331	101,352,515
Small enterprise entrepreneurs	13,780,115	4,973,867
10 Taka account	28,382,474	21,210,636
Bangladesh Bank stimulus fund	113,746,486	783,777,065
Prefinance	1,296,360,659	-
Export Development Fund (EDF)	1,448,799,088	2,328,803,114
Borrowing from Bangladesh Bank - ALS	750,000,000	760,000,000
	<u>3,752,191,379</u>	<u>4,031,548,707</u>
Unsecured		
	<u>3,752,191,379</u>	<u>4,031,548,707</u>
b) Outside Bangladesh		
	<u>3,752,191,379</u>	<u>4,031,548,707</u>
As at the reporting date of these financial statements, the Bank had pledged Treasury Bonds amounting total Tk. 962,684,159.00 as security against borrowing from Bangladesh Bank - ALS and balance with Bangladesh Bank (local & foreign currency) against liability of refinance facility availed from Bangladesh Bank under the Agro based industries financing, Green industries financing, Small & Medium Enterprising Financing, 10 Taka Account Fund and Export Development Fund by the Bank. [Note 11.2]		
11.3 Residual maturity grouping of borrowings from other banks, financial institutions and agents of the Bank		
On demand	-	-
Within one month	857,021,573	920,828,355
Within one to three months	1,299,417,052	1,396,160,965
Within three to twelve months	1,127,932,996	1,211,909,616
Within one to five years	128,266,356	137,816,015
More than five years	339,553,401	364,833,756
	<u>3,752,191,379</u>	<u>4,031,548,707</u>
12. Deposits and other accounts - Consolidated		
Current / Al-wadeeah current deposits and other accounts		
SBAC Bank Ltd.	11,345,096,870	9,238,002,337
Less : Inter-company transactions	-	1,566,240
	<u>11,345,096,870</u>	<u>9,236,436,097</u>
Special notice / mudaraba special notice deposits		
SBAC Bank Ltd.	4,394,481,550	4,382,625,127
Less : Inter-company transactions	50,335,126	12,431,157
	<u>4,344,146,424</u>	<u>4,370,193,970</u>
Bills payable		
SBAC Bank Ltd.	5,160,879,389	3,197,410,868
	<u>5,160,879,389</u>	<u>3,197,410,868</u>
Savings bank / mudaraba savings deposits		
SBAC Bank Ltd.	7,313,416,046	6,920,991,538
	<u>7,313,416,046</u>	<u>6,920,991,538</u>
Fixed / mudaraba term deposits		
SBAC Bank Ltd.	48,521,247,316	46,074,316,715
Less : Inter-company transactions	354,200,000	375,849,715
	<u>48,167,047,316</u>	<u>45,698,467,000</u>
Other deposits		
SBAC Bank Ltd.	13,979,556,938	14,786,087,582
	<u>13,979,556,938</u>	<u>14,786,087,582</u>
	<u>90,310,142,983</u>	<u>84,209,587,055</u>
12.1 Deposits and other accounts of the Bank		
Current / Al-wadeeah current deposits and other accounts (note : 12.2)	11,345,096,870	9,238,002,337
Special notice / mudaraba special notice deposits	4,394,481,550	4,382,625,127
Bills payable	5,160,879,389	3,197,410,868
Savings bank / mudaraba savings deposits	7,313,416,046	6,920,991,538
Fixed / mudaraba term deposits	48,521,247,316	46,074,316,715
Other deposits (note : 12.3)	13,979,556,938	14,786,087,582
	<u>90,714,678,109</u>	<u>84,599,434,167</u>

	30 September 2023	31 December 2022
	Taka	Taka
12.2 Current / Al-wadeeah current deposits and other accounts		
Current / Al-wadeeah current deposits	3,762,499,239	3,422,801,798
Foreign currency deposits (net off inter bank transactions between on-shore banks)	94,266,010	83,936,113
Non resident foreign currency account	7,924,363	6,619,050
Resident foreign currency account	14,888,240	12,893,842
Exporters' retention quota accounts	168,466,102	61,719,714
Non resident Taka account	16,159,153	7,554,697
Foreign currency held against BTB L/Cs	948,437,328	1,319,062,532
Margin against L/Cs	2,676,436,749	1,860,645,163
Margin against L/Gs	1,331,386,646	1,057,975,227
Margin on LDBP	83,400	83,400
Margin on Loans	168,556,227	108,046,243
Security deposit	26,911,298	26,880,093
Sundry deposits - excise duty	4,111,166	135,981,520
Sundry deposits - local bills	71,910,162	1,045,772
Sundry deposits - Sanchayapatra	21,280,000	6,100,000
Sundry deposits - risk fund	45,052,758	20,928,822
Sundry deposits - other	117,128,330	12,088,329
Sundry deposits - foreign correspondents charge	164,899,827	125,830,340
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	74,110,407	225,319,886
Sundry deposits - VAT collected at source	35,375,797	12,342,547
Sundry deposits - VAT deducted Service Bills	14,833,633	11,357,243
Sundry deposits - card settlement account	(13,386,554)	16,453,071
Sundry deposits - Mobile App	10,041,810	3,931,815
Interest payable on deposits	1,581,757,107	696,437,448
	11,345,096,870	9,238,002,337
12.3 Other deposits		
Monthly savings scheme / mudaraba monthly savings deposits	4,351,045,601	4,550,190,486
Monthly Benefit Scheme Deposits	3,428,155,748	3,995,464,024
Lakhpoti Savings Scheme Deposits	177,329,827	197,592,072
Surokkha Millionaire Scheme Deposits	1,428,401,302	1,415,131,893
Kotipoti Scheme Deposits	260,977,096	216,426,062
Double Benefit Scheme Deposits	3,658,345,782	3,734,319,255
Triple Benefit Scheme	672,095,100	674,765,568
Mudaraba Hajj deposits	3,206,482	2,198,222
	13,979,556,938	14,786,087,582
12.4 Segregation of deposits and other accounts		
Other than inter-bank deposits	87,339,509,396	81,996,966,894
Inter-bank deposits	3,375,168,713	2,602,467,273
	90,714,678,109	84,599,434,167
12.5 Residual maturity grouping of deposits and other accounts		
On demand	3,085,862,045	2,877,838,387
Within one month	9,854,873,321	9,190,538,115
Within one to three months	16,055,187,756	14,972,877,906
Within three to six months	14,894,504,833	13,890,438,762
Within six to twelve months	11,027,818,307	10,284,412,714
Within one to five years	14,046,844,070	13,099,920,376
More than five years	21,749,587,777	20,283,407,907
	90,714,678,109	84,599,434,167
13. Other liabilities - Consolidated		
SBAC Bank Limited (note 13.1)	8,752,829,414	7,199,371,669
SBAC Bank Investment Limited	95,041,012	38,384,462
	8,847,870,426	7,237,756,131
Less : Inter-company transactions		1,474,594
	8,847,870,426	7,236,281,537
13.1 Other liabilities of the Bank		
Sundry creditors	150,001,543	16,136,827
Pre-finance CMSME from Bangladesh Bank	-	-
Provision for expenses	137,917,288	36,451,919
Central clearing, EFT, NPSB adjustment account	55,843,427	4,296,917
Unearned profit (Markup)	11,820,055	5,561,100
Provision for taxation (note 13.2)	1,707,117,922	1,147,727,892
Provision on loans & advances (note 13.3)	3,005,746,425	2,658,800,081
Special general provision - COVID-19 (note 13.4)	80,681,080	84,793,723
General provision on Off Balance Sheet exposures (note 13.5)	241,177,186	200,695,261
Provision against other assets	20,894,000	20,894,000
Present value of lease liability	1,149,344,764	1,225,051,531
Interest suspense account (note 13.6)	1,946,136,875	1,514,315,563
Startup fund	20,487,780	20,487,780
Provision for diminution in value of investments (note 13.7)	125,173,119	123,434,872
Proposed dividend for 2021	-	81,603,130
Dividend payable (note 13.8)	100,487,950	59,121,073
	8,752,829,414	7,199,371,669

	30 September 2023	31 December 2022
	Taka	Taka
13.2 Provision for taxation		
Opening balance	1,147,727,892	816,756,524
Add : Provision made for the period (Note 13.2.1)	559,390,030	725,789,419
	1,707,117,922	1,542,545,943
Less : Adjustment during the period	-	394,818,051
Closing balance	1,707,117,922	1,147,727,892

13.2.1 Tax reconciliation or relationship between tax expense and tax on accounting profit

Particulars	2023 (Up to 30 September)		2022	
	%	Taka	%	Taka
Profit before tax as per profit and loss account		1,404,181,558		1,754,547,475
Corporate as per applicable tax rate	37.50%	526,568,084	37.50%	657,955,303
Factors affecting the tax charge for current year				
Non-deductible and inadmissible expenses	4.79%	67,310,076	9.82%	172,345,128
Admissible expenses	-1.78%	(25,027,683)	-3.66%	(64,142,368)
Tax savings from reduced tax rates	-0.67%	(9,460,448)	-2.30%	(40,368,644)
Effect of deferred tax	0.00%	-	-0.04%	(717,076)
Effective tax rate	39.84%	559,390,030	41.33%	725,072,343

13.3 Provision for loans and advances (note 8.10)

A. General provision on loans and advances - Main Operation

Opening balance	156,819,762	8,465,020
General provision for the year	124,027,049	148,354,742
Provision held at the end of the period	280,846,811	156,819,762

B. Specific provision against classified loans and advances - Main Operation

Opening balance	2,499,772,775	2,196,162,881
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the period	222,785,013	862,318,813
Less : Specific provision no more required as loans	-	558,708,919
Specific provision against loans and advances during the period	222,785,013	303,609,894
Add : Net charge to profit and loss account	-	-
Provision held at the end of the period	2,722,557,788	2,499,772,775

C. General provision on loans and advances - OBU

Opening balance	2,207,544	5,632,109
General provision for the period	134,282	(3,424,565)
Provision held at the end of the period	2,341,826	2,207,544

Total (A + B + C)

3,005,746,425	2,658,800,081
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13.4 Special general provision - COVID-19

Opening balance	84,793,723	187,183,129
Add : Provision made for the period	-	-
Less : Provision no more required	(4,112,643)	(102,389,406)
80,681,080	84,793,723	

13.5 Provision for off balance sheet exposures (note 18.4)

Opening balance	200,695,261	168,396,382
Add : Provision made for the period	40,481,925	32,298,879
241,177,186	200,695,261	

13.6 Interest suspense account

Balance as on 1 January	1,514,315,563	1,000,624,647
Add : Amount transferred to "interest suspense" account during the period	431,821,312	687,141,829
Less : Amount recovered from "interest suspense" account during the period	-	173,450,913
Less : Amount written-off during the period	-	-
Balance as on 31 December	1,946,136,875	1,514,315,563

13.7 Provision for diminution in value of investment

Consolidated

Opening balance	127,476,353	36,403,988
Add : Provision made for the period	1,738,247	91,072,365
129,214,600	127,476,353	

Bank

Opening balance	123,434,872	36,403,988
Add : Provision made for the period	1,738,247	87,030,884
125,173,119	123,434,872	

13.8 Dividend payable

For 2020	32,483,885	32,421,603
For 2021	25,508,872	26,699,470
For 2022	42,495,193	-
100,487,950	59,121,073	

	30 September 2023 Taka	31 December 2022 Taka
14. Share capital		
14.1 Authorized share capital		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
14.2 Issued, subscribed and paid up share capital		
824,191,650 ordinary shares of Tk. 10/- each	8,241,916,500	8,160,313,370
14.3 Paid up capital		
The paid up capital of the Bank was raised in the following manner :		
From the sponsor shareholders		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
From Initial Public Offering		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
Stock dividend		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2020	313,858,200	313,858,200
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2021	81,603,130	-
	8,241,916,500	8,160,313,370
14.4 Non-controlling (Minority) interest		
Share capital	400,000	400,000
Retained earnings	32,182	32,182
	432,182	432,182
15. Statutory reserve		
As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
Opening balance	2,204,928,598	1,947,493,989
Add : Transferred from profit during the period	-	257,434,609
Closing balance	2,204,928,598	2,204,928,598
16. Other reserve (revaluation reserve on Govt. Securities)		
Opening balance	65,228,536	129,270,472
Add : Amortization / revaluation gain	817,186,888	3,037,186,788
	882,415,424	3,166,457,260
Less : Adjustment of amortization / revaluation gain against sale / maturity	851,222,474	3,101,228,724
Closing balance	31,192,950	65,228,536
16.1 Capital reserve		
Opening balance	516,704	-
Add : Addition during the period	-	516,704
Closing balance	516,704	516,704
16.2 Foreign currency translation reserve		
Opening balance	7,933,440	251,592
Add : Addition during the period	4,742,063	7,681,848
	12,675,503	7,933,440
Less : Adjustment during the period	-	-
Closing balance	12,675,503	7,933,440
17. Surplus in profit and loss account - Consolidated		
Opening balance	390,293,727	704,530,934
Less : Cash dividend paid	(288,467,078)	(244,809,401)
Less : Stock dividend issued	-	(313,858,200)
Less : Proposed dividend for 2021	-	(81,603,130)
	(288,467,078)	(640,270,731)
	101,826,649	64,260,203
Add : Net profit during the period	492,505,862	589,632,859
Less : Transferred to statutory reserve	-	(257,434,609)
Less : Transferred to capital reserve	-	(516,704)
Less: Transferred to start up fund	-	(5,621,007)
	492,505,862	326,060,539
	594,332,511	390,320,742
Less : Non-controlling (Minority) interest	-	(27,015)
Closing balance	594,332,511	390,293,727

	30 September 2023	31 December 2022		
	Taka	Taka		
17.1 Surplus in profit and loss account of the Bank				
Opening balance	358,143,419	699,369,062		
Less : Cash dividend paid	(288,467,078)	(244,809,401)		
Less : Stock dividend issued	-	(313,858,200)		
Less : Proposed dividend for 2021	-	(81,603,130)		
	<u>(288,467,078)</u>	<u>(640,270,731)</u>		
	69,676,341	59,098,331		
Net profit during the period	459,737,655	562,100,704		
Less : Transferred to statutory reserve	-	(257,434,609)		
Less: Transferred to start up fund	-	(5,621,007)		
	<u>459,737,655</u>	<u>299,045,088</u>		
Closing balance	529,413,996	358,143,419		
18. Contingent liabilities - Consolidated SBAC Bank Limited				
Acceptances and endorsements	4,422,656,578	4,948,539,066		
Letters of Guarantee (note 18.1)	13,147,118,809	10,830,648,085		
Irrevocable letters of credit (note 18.2)	6,893,529,436	4,290,338,894		
Bills for collection (note 18.3)	2,628,685,374	1,712,915,295		
Other contingent liabilities	-	-		
	<u>27,091,990,197</u>	<u>21,782,441,340</u>		
SBAC Bank Investment Limited	-	-		
	<u>27,091,990,197</u>	<u>21,782,441,340</u>		
18.1 Letters of guarantee				
Money for which the bank is contingently liable in respect of guarantees issued favoring:				
Directors	-	-		
Government	10,912,108,611	8,973,485,336		
Banks and other financial institutions	-	-		
Others	2,235,010,198	1,857,162,749		
	<u>13,147,118,809</u>	<u>10,830,648,085</u>		
18.2 Irrevocable letters of credit				
Local				
Irrevocable letters of credit (sight)	3,670,721,394	2,177,428,297		
Irrevocable letters of credit (usance)	35,792,944	20,463,162		
Irrevocable letters of credit - back to back	1,140,414,552	932,425,133		
	<u>4,846,928,890</u>	<u>3,130,316,592</u>		
Foreign				
Irrevocable letters of credit (sight)	-	-		
Irrevocable letters of credit (usance)	1,380,812,956	798,998,315		
Irrevocable letters of credit - back to back	665,787,590	361,023,987		
	<u>2,046,600,546</u>	<u>1,160,022,302</u>		
	<u>6,893,529,436</u>	<u>4,290,338,894</u>		
18.3 Bills for collection				
Outward local bills	18,630	18,630		
Local documentary bills for collection	1,645,231,252	1,058,725,789		
Foreign documentary bills for collection	983,435,492	654,170,876		
	<u>2,628,685,374</u>	<u>1,712,915,295</u>		
18.3 Particulars of required provision on off-balance sheet exposures				
			Required provision	
			30 September 2023	31 December 2022
			Taka	Taka
Acceptances and endorsements	4,422,656,578	1.00%	44,226,566	49,485,391
Letters of Guarantee (note 18.1)	13,147,118,809	1.00%	131,471,188	108,306,481
Irrevocable letters of credit (note 18.2)	6,893,529,436	1.00%	68,935,294	42,903,389
Bills for collection (note 18.3)	2,628,685,374	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
Total Required Provision	<u>27,091,990,197</u>		<u>244,633,048</u>	<u>200,695,261</u>
Total Provision Maintained			244,633,048	200,695,261
Excess / (short) provision maintained			<u>-</u>	<u>-</u>

	01 Jan 2023 to 30 September 2023 Taka	01 Jan 2022 to 30 September 2022 Taka
19. Particulars of profit and loss account of the bank		
Income		
Interest, discount and similar income (note 21.1)	5,034,772,828	4,307,053,180
Dividend income (note 23.1)	45,459,672	54,277,145
Fees, commission and brokerage (note 24.1)	302,322,233	279,787,562
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	1,229,172,053	2,108,203,175
Gains less losses arising from dealing in foreign currencies (note 24.1)	448,282,938	591,541,761
Income from non-banking assets	-	-
Other operating income (note 25.1)	226,928,530	97,417,106
Profit less losses in interest rate changes	-	-
	7,286,938,254	7,438,279,929
Expenses		
Interest, fee and commission (note 22.1)	3,882,707,662	3,402,040,614
Losses on loans and advances	-	-
Administrative expenses (note 20)	1,547,058,484	1,330,791,134
Other operating expenses (note 35.1)	175,605,199	1,097,305,756
Depreciation on bank's assets (note 34.1)	277,385,351	267,377,172
	5,882,756,696	6,097,514,676
Profit before provision	1,404,181,558	1,340,765,253
20. Administrative expenses of the bank		
Salary and allowances (note 26.1)	1,335,055,627	1,132,340,511
Rent, taxes, insurance, electricity etc. (note 27.1)	134,496,931	121,324,968
Legal & professional expenses (note 28.1)	3,776,401	8,294,841
Postage, stamp, telecommunication etc. (note 29.1)	5,092,634	10,646,044
Stationery, printing, advertisement etc. (note 30.1)	39,399,709	32,590,694
Chief executive's salary and fees (note 31)	9,060,000	11,258,800
Directors' fees and other benefits (note 32.1)	2,096,000	1,592,000
Audit fees (note 33.1)	57,500	-
Repair of bank's assets (note 34.1)	18,023,682	12,743,276
	1,547,058,484	1,330,791,134
21. Interest income / profit on investment - Consolidated		
SBAC Bank Limited (note 21.1)	5,034,772,828	4,307,053,180
SBAC Bank Investment Limited	58,766,069	17,405,377
	5,093,538,897	4,324,458,557
Less : Inter company transactions	52,028,498	(17,705,571)
	5,041,510,399	4,306,752,986
21.1 Interest income / profit on investments of the Bank		
Interest on loans and advances / profit on investments		
Cash credit	969,858,103	953,287,454
Secured overdraft / bai murabaha	1,398,594,608	1,076,795,717
General overdraft	87,141,428	57,301,676
Local bills purchased	142,717,317	135,847,057
Foreign bills purchased	4,633,248	4,905,109
Import finance / murabaha	82,769,629	202,562,850
Export finance	10,457,935	3,587,018
Other demand loans / advances	615,732,019	501,256,127
Lease finance / HPSM	50,332,735	44,368,948
House building loans / HPSM	90,212,426	59,533,387
General term loans / bai murabaha	1,074,649,575	867,575,179
SME loans / bai murabaha	265,656,374	127,840,894
Consumer credit scheme / HPSM	7,209,625	4,366,502
Credit card	34,809,792	27,433,188
Agriculture & rural credit / bai murabaha	121,346,556	66,070,612
Staff loans / HPSM	19,919,242	16,493,138
	4,976,040,612	4,149,224,856
Interest on money at call and short notice	8,715,125	1,752,417
Interest on FDR with other banks	30,754,097	127,801,945
Interest on SND with other banks	2,933,536	3,688,309
	5,018,443,370	4,282,467,527
Interest Income - Off-shore Banking Unit	16,329,458	24,585,653
	5,034,772,828	4,307,053,180

	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
	Taka	Taka
22. Interest / profit on deposits, borrowings etc.		
SBAC Bank Limited (note 22.1)	3,882,707,662	3,402,040,614
SBAC Bank Investment Limited	36,861,613	4,374,969
	3,919,569,275	3,406,415,583
Less : Inter company transactions	52,028,498	(17,705,571)
	<u>3,867,540,777</u>	<u>3,388,710,012</u>
22.1 Interest / profit on deposits, borrowings etc. of the Bank		
Interest / profit on deposits		
Savings bank / mudaraba savings deposits	201,806,625	167,707,803
Special notice / mudaraba special notice deposits	88,554,868	78,999,733
Monthly savings schemes / mudaraba monthly savings deposits	411,478,996	392,645,592
Monthly benefit schemes	217,946,980	293,716,170
Special deposit schemes	344,319,806	317,114,416
Fixed /mudaraba term deposits	2,239,763,059	1,775,120,325
	3,503,870,334	3,025,304,039
Interest on call borrowing	15,665,222	32,923,653
Interest on credit lines	21,351,667	64,901,592
Interest on Bangladesh Bank Re-financing facilities	15,955,953	28,738,897
Interest on borrowing under REPO	325,864,486	250,172,433
	<u>3,882,707,662</u>	<u>3,402,040,614</u>
23. Income from investments in shares and securities - Consolidated		
SBAC Bank Limited (note 23.1)	1,274,631,725	2,162,480,320
SBAC Investment Limited	18,581,180	14,745,543
	<u>1,293,212,905</u>	<u>2,177,225,863</u>
23.1 Income from investments in shares and securities of the Bank		
Dividend on shares	45,459,672	54,277,145
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	1,222,287,344	1,195,293,881
Interest / profit on treasury bills	129,848	18,503,847
Interest on reverse REPO	7,841,918	5,643,489
Profit on Ijarah Sukuk Bonds -HIT	-	2,165,221
Gains on trading of government securities	(36,078,913)	805,322,883
	1,194,180,197	2,026,929,321
Gains on Capital Market	34,991,856	81,273,854
	<u>1,274,631,725</u>	<u>2,162,480,320</u>
24. Commission, exchange and brokerage - Consolidated		
SBAC Bank Limited (note 24.1)	750,605,171	871,329,323
SBAC Investment Limited	28,943,530	15,157,954
	<u>779,548,701</u>	<u>886,487,277</u>
24.1 Commission, exchange and brokerage of the Bank .		
Fees, commission and brokerage		
Commission on bills & remittance	4,846,302	5,775,330
Commission on letters of credit	113,750,610	113,945,057
Commission on letters of guarantee	130,673,204	123,826,675
Commission on acceptances	45,290,123	34,190,365
Commission on add confirmation	-	1,789,185
Commission on bank underwriting/Others	7,761,994	260,950
	302,322,233	279,787,562
Exchange earnings (net)	448,282,938	591,541,761
	<u>750,605,171</u>	<u>871,329,323</u>
25. Other operating income - Consolidated		
SBAC Bank Limited (note 25.1)	226,928,530	97,417,106
SBAC Investment Limited	91,335	65,931
	227,019,865	97,483,037
Less : Inter company transactions	21,512	(6,293)
	<u>226,998,353</u>	<u>97,476,744</u>
25.1 Other operating income of the Bank		
Banking service charge	201,585,858	77,707,890
Card operation charge	18,293,233	13,796,287
Locker rent	108,570	146,200
Miscellaneous income	6,940,869	5,766,729
Off-shore banking unit		
	<u>226,928,530</u>	<u>97,417,106</u>
26. Salaries and allowances - Consolidated		
SBAC Bank Limited (note 26.1)	1,335,055,627	1,132,340,511
SBAC Investment Limited	18,557,982	6,534,607
	<u>1,353,613,609</u>	<u>1,138,875,118</u>

	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
	Taka	Taka
26.1 Salaries and allowances of the Bank		
Basic salary	426,458,999	391,012,254
House rent allowance	202,636,883	184,893,223
Conveyance allowance	38,346,426	29,209,729
Medical allowance	60,439,113	47,658,465
Other allowances	222,195,427	181,839,617
Festival bonus	115,392,521	67,593,912
Incentive bonus for previous year		
Bank's contribution on provident fund	39,315,178	36,436,496
Gratuity	97,903,639	93,357,960
Casual labourer & wages	132,367,441	100,338,855
	<u>1,335,055,627</u>	<u>1,132,340,511</u>
27. Rent, taxes, insurance, electricity etc. - Consolidated		
SBAC Bank Limited (note 27.1)	134,496,931	121,324,968
SBAC Investment Limited	1,115,289	921,635
	<u>135,612,220</u>	<u>122,246,603</u>
27.1 Rent, taxes, insurance, electricity etc. of the Bank		
Rent - Office Premises, ATM Booths and other installations	7,467,657	5,350,043
Rates and taxes	34,193,069	33,331,166
Utilities	40,378,579	36,379,692
Insurance	52,457,626	46,264,067
	<u>134,496,931</u>	<u>121,324,968</u>
28. Legal and professional expenses - Consolidated		
SBAC Bank Limited (note 28.1)	3,776,401	8,294,841
SBAC Investment Limited	123,153	132,208
	<u>3,899,554</u>	<u>8,427,049</u>
28.1 Legal and professional expenses of the Bank		
Legal expenses	1,444,242	5,154,103
Professional fees	2,332,159	3,140,738
	<u>3,776,401</u>	<u>8,294,841</u>
29. Postage, stamp, telecommunication etc. - Consolidated		
SBAC Bank Limited (note 29.1)	5,092,634	10,646,044
SBAC Investment Limited	149,200	27,850
	<u>5,241,834</u>	<u>10,673,894</u>
29.1 Postage, stamp, telecommunication etc. of the Bank		
Postage	1,108,923	1,015,722
Telephone, fax etc.	4,247,779	4,965,493
Internet & SWIFT	(264,068)	4,664,829
	<u>5,092,634</u>	<u>10,646,044</u>
30. Stationery, printing, advertisement etc. - Consolidated		
SBAC Bank Limited (note 30.1)	39,399,709	32,590,694
SBAC Investment Limited	148,532	232,350
	<u>39,548,241</u>	<u>32,823,044</u>
30.1 Stationery, printing, advertisement etc. of the Bank		
Office stationery	9,067,795	17,718,400
Printing stationery	12,490,415	
Petty stationery	4,655,110	3,637,161
Security stationery	3,452,422	405,354
Advertisement	9,733,967	
Publicity- purchase of diary, calendar etc.		10,829,779
	<u>39,399,709</u>	<u>32,590,694</u>
31. Chief executive's salary and fees of the Bank		
Basic salary	5,400,000	5,708,000
House rent allowance	1,350,000	1,350,000
House maintenance / furnishing allowance	450,000	1,125,000
Bank's contribution on provident fund		570,800
Festival bonus	1,320,000	1,380,000
Other allowances	540,000	1,125,000
	<u>9,060,000</u>	<u>11,258,800</u>
32. Directors' fees - Consolidated		
SBAC Bank Limited (note 32.1)	2,096,000	1,592,000
SBAC Investment Limited	248,000	200,000
	<u>2,344,000</u>	<u>1,792,000</u>

	01 Jan 2023 to 30 September 2023 Taka	01 Jan 2022 to 30 September 2022 Taka
32.1 Directors' fees of the Bank		
Meeting attendance fees	2,096,000	1,592,000
Each director of the bank was paid Tk. 8,000/- per attendance in board meeting and committee meeting held.		
33. Auditors' fees - Consolidated		
SBAC Bank Limited (note 33.1)	57,500	-
SBAC Investment Limited	-	-
	<u>57,500</u>	<u>-</u>
33.1 Auditors' fees of the Bank		
Audit fees (annual audit)	-	-
Audit fees (interim audit)	-	-
Audit fees (provident fund & gratuity fund)	57,500	-
VAT on audit fees	-	-
	<u>57,500</u>	<u>-</u>
34. Depreciation and repairs & maintenance - Consolidated		
SBAC Bank Limited (note 34.1)	295,409,033	280,120,448
SBAC Investment Limited	1,494,344	200,528
	<u>296,903,377</u>	<u>280,320,976</u>
34.1 Depreciation and repairs & maintenance of Bank's Assets		
Depreciation / amortization		
Motor vehicles	4,971,247	5,466,177
Machinery and equipments	21,899,399	20,157,116
Furniture & fixtures	25,453,238	10,300,792
Interior decoration	11,776,961	21,983,888
Computer and peripherals	37,192,688	35,854,163
Software	6,804,690	9,507,065
Office tools and accessories	4,411,239	4,486,623
Depreciation on right of use assets (lease assets)	164,875,889	159,621,348
	277,385,351	267,377,172
Repairs & maintenance of bank's assets	18,023,682	12,743,276
	<u>295,409,033</u>	<u>280,120,448</u>
35. Other expenses		
SBAC Bank Limited (note 35.1)	175,605,199	1,097,305,756
SBAC Investment Limited	5,566,998	3,070,751
	181,172,197	1,100,376,507
Less : Inter company transactions	21,512	(6,293)
	<u>181,150,685</u>	<u>1,100,370,214</u>
35.1 Other expenses of the Bank		
Entertainment expenses	15,984,075	12,778,560
Training & workshop expenses	208,509	325,718
Travel and daily allowance	6,060,177	5,328,001
Fuel and lubricants expenses - bank's vehicles	2,427,800	758,679
Subscriptions to trade associations	7,282,662	13,780,183
Donations	40,000,000	47,647,000
Business promotion and development	8,215,283	6,743,370
Books, magazines & news papers etc.	556,133	379,349
Charges & duties to Government	-	-
Local conveyance	3,934,341	3,679,342
Cash carrying expenses	3,209,828	3,493,139
Cartage and freight	240,390	280,640
Washing and cleaning	2,637,303	2,260,674
Other bank charges paid	13,221,358	9,406,546
Expenses on AGM	31,500	146,268
Expenses on managers' conference	2,613,709	2,727,279
Antivirus and other software	10,761,352	6,142,370
Branch & head office inauguration expenses	776,247	584,133
Miscellaneous expenses	3,493,618	4,965,694
Interest on lease liability	53,950,914	54,570,912
Loss on revaluation of investment	-	921,307,899
	<u>175,605,199</u>	<u>1,097,305,756</u>

	01 Jan 2023 to 30 September 2023 Taka	01 Jan 2022 to 30 September 2022 Taka
36. Provision for taxation		
Current tax		
SBAC Bank Limited (note 13.2)	559,390,030	386,366,516
SBAC Investment Limited	9,348,796	6,131,505
	<u>568,738,826</u>	<u>392,498,021</u>
Deferred tax		
SBAC Bank Limited	-	(42,594,367)
SBAC Investment Limited	-	-
	<u>-</u>	<u>(42,594,367)</u>
	<u>568,738,826</u>	<u>349,903,654</u>
37. Increase / decrease of other assets of the Bank		
Closing -		
Stock of stationeries and stamps	12,244,917	16,184,318
Advance rent, advertisement, etc.	15,195,965	12,617,649
Advance & Security deposits	4,374,655	4,190,655
Central clearing, EFT, NPSB adjustment account	(3,063,980)	1,492,720
Suspense accounts	182,017,573	1,059,338,278
Protested bills	20,894,000	9,672,408
Investment in subsidiary	399,600,000	-
Receivable from SBAC Bank Investment Limited	-	-
	<u>631,263,130</u>	<u>1,103,496,028</u>
Opening -		
Stock of stationeries and stamps	18,370,244	14,021,623
Advance rent, advertisement, etc.	17,518,275	14,380,654
Advance & Security deposits	4,190,355	4,177,757
Suspense accounts	113,033,745	183,159,029
Central clearing, EFT, NPSB adjustment account	1,411	8,486
Protested bills	20,894,000	-
Investment in subsidiary	399,600,000	-
	<u>573,608,030</u>	<u>215,747,549</u>
	<u>57,655,100</u>	<u>887,748,479</u>
37.1 Increase / decrease of other assets - Consolidated		
Closing -		
Stock of stationeries and stamps	12,244,917	18,161,977
Advance rent, advertisement, etc.	15,195,965	39,331,603
Advance & Security deposits	486,682,380	45,069,624
Central clearing, EFT, NPSB adjustment account	(3,063,980)	8,486
Suspense accounts	182,017,573	166,399,055
Protested bills	20,894,000	-
	<u>713,970,855</u>	<u>268,970,746</u>
Opening -		
Stock of stationeries and stamps	18,370,244	14,021,623
Advance rent, advertisement, etc.	17,518,275	14,380,654
Advance & Security deposits	424,075,982	4,177,757
Suspense accounts	113,033,745	183,159,029
Central clearing, EFT, NPSB adjustment account	1,411	-
Protested bills	20,894,000	-
	<u>593,893,657</u>	<u>215,739,063</u>
	<u>120,077,198</u>	<u>53,231,683</u>
38. Increase / decrease of other liabilities of the Bank		
Closing -		
Sundry creditors	150,001,543	26,747,261
Pre-finance CMSME from Bangladesh Bank	-	-
Central clearing, EFT, NPSB adjustment account	55,843,427	14,554,174
Present value of lease liability	1,149,344,764	1,234,834,228
Dividend payable	100,487,950	-
	<u>1,455,677,684</u>	<u>1,276,135,663</u>
Opening -		
Sundry creditors	16,136,827	10,437,261
Central EFT adjustment account	4,296,917	-
Present value of lease liability	1,225,051,531	1,167,814,501
Dividend payable	59,121,073	-
	<u>1,304,606,348</u>	<u>1,178,251,762</u>
	<u>151,071,336</u>	<u>97,883,901</u>

	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
	Taka	Taka
38.1 Increase / decrease of other liabilities - Consolidated		
Closing -		
Sundry creditors	150,001,543	32,804,796
Pre-finance CMSME from Bangladesh Bank	-	-
Central clearing, EFT, NPSB adjustment account	55,843,427	9,278,239
Provision for gratuity	-	-
Present value of lease liability	1,149,344,764	1,141,974,355
Dividend payable	100,487,950	-
	1,455,677,684	1,184,057,390
Opening -		
Sundry creditors	16,136,827	10,437,261
Central EFT adjustment account	4,296,917	-
Provision for gratuity	-	-
Present value of lease liability	1,225,051,531	1,167,814,501
Dividend payable	59,121,073	-
	1,304,606,348	1,178,251,762
	151,071,336	5,805,628
39. Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank		
Profit before provision	1,404,181,558	1,340,756,253
Depreciation on fixed assets	277,385,351	267,377,172
(Increase) / decrease of interest receivable	(775,362,827)	(43,104,313)
Increase / (decrease) of interest payable	647,957,190	920,123,221
Increase / (decrease) of expenses payable	(126,985,863)	36,156,709
(Increase) / decrease of dividend receivable	(23,139,483)	14,322,188
Advance tax paid	(227,864,492)	(562,154,842)
Gain on Trading of Govt Securities	(361,099,219)	(805,322,883)
Gain from sale of shares	(34,991,856)	(81,273,854)
Loss on Government Securities	397,178,130	921,307,899
Effects of exchange rate changes on cash and cash-equivalent	-	(801,903,439)
Operating profit before changes in operating assets and liabilities	1,177,258,489	1,206,284,111
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	1,230,853,848	(2,547,227,849)
Loans and advances to other banks	(600,000,000)	(120,000,000)
Loans and advances to customers	(6,794,751,617)	(7,330,081,598)
Increase / decrease of other assets	(890,612,828)	(887,748,479)
Deposits from other banks	772,701,440	490,962
Deposits from customers	5,342,542,502	7,451,029,451
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	1,553,457,745	97,883,901
	614,191,090	(3,335,653,612)
Net cash from operating activities	1,791,449,579	(2,129,369,501)
39.1 Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated		
Profit before provision	1,446,298,561	1,372,445,160
Depreciation on fixed assets	277,385,351	267,577,700
(Increase) / decrease of interest receivable	(775,362,827)	(43,104,313)
Increase / (decrease) of interest payable	595,827,885	920,123,221
Increase / (decrease) of expenses payable	(126,985,863)	36,156,709
(Increase) / decrease of dividend receivable	(23,139,483)	14,322,188
Advance tax paid	(227,864,492)	(566,860,584)
Gain on Trading of Govt Securities	(361,099,219)	(805,322,883)
Gain from sale of shares	(34,991,856)	(81,273,854)
Loss on Government Securities	397,178,130	921,307,899
Effects of exchange rate changes on cash and cash-equivalent	-	(801,903,439)
Operating profit before changes in operating assets and liabilities	1,167,246,187	1,233,467,804
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	1,230,853,848	(2,547,227,849)
Loans and advances to other banks	(600,000,000)	(120,000,000)
Loans and advances to customers	(6,556,164,751)	(7,179,205,495)
Increase / decrease of other assets	(977,725,475)	(897,249,312)
Deposits from other banks	772,701,440	490,962
Deposits from customers	5,342,542,502	7,407,862,143
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	1,362,297,600	154,047,581
	574,505,164	(3,181,281,970)
Net cash from operating activities	1,741,751,351	(1,947,814,166)

	01 Jan 2023 to 30 September 2023 Taka	01 Jan 2022 to 30 September 2022 Taka
40. Net asset value (NAV) per share - Consolidated		
a) Capital / shareholders' equity for the period	11,085,562,766	10,942,078,299
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	13.45	13.28
40.1 Net asset value (NAV) per share of the Bank		
a) Capital / shareholders' equity for the period	11,020,127,547	10,921,230,416
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	13.37	13.25
41 Earning per share (EPS) - Consolidated		
a) Net profit after tax	492,505,862	589,593,609
b) weighted average number of ordinary shares	824,191,650	824,191,650
Earnings per share (a ÷ b)	0.60	0.72
41.1 Earning per share (EPS) of the Bank		
a) Net profit after tax	459,737,655	573,891,896
b) weighted average number of ordinary shares	824,191,650	824,191,650
Earnings per share (a ÷ b)	0.56	0.70
41.2 Earning Per Shares (EPS) have been decreased by 16.47% compare to same period of previous year due to decrease in investment income, increase in administrative expenses and provision for taxation despite increase in income from net interest income.		
41.3 Diluted earning per share		
No diluted earning per share is required to be calculated for the year as there was no scope for dilution during these period.		
42. Net operating cash flow per share (NOCFPS) per share - Consolidated		
a) Operating cash flow for the period	2,169,121,207	(1,947,818,166)
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	2.63	(2.36)
42.1 Net operating cash flow per share (NOCFPS) per share of the Bank		
a) Operating cash flow for the period	2,218,125,841	(2,129,360,501)
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	2.69	(2.58)
42.2 Net operating cash flows and net operating cash flows per share (NOCFPS) have been increased compare to same period of previous year cause to increase in net of loan & deposits and increase in net proceeds from trading securities.		

South Bangla Agriculture and Commerce Bank Limited
Related party Transactions

i) Loan to directors:

(Amount in Crore taka)

Name of the Borrower	Representing Director	Nature of Facilities	Outstanding as at 30 September 2023	Outstanding as at 31 Dec 2022
Anwar Hussain	Mr. Anwar Hussain	House Building Loan	0.55	0.80
			0.65	0.00
Mohammad Imran	Mr. Anwar Hussain Brother of Mr. Mohammad Imran	House Building Loan	0.55	0.80
			0.72	0.00
M.R. Trading Co.	Mr. Md. Mizanur Rahman	SOD (Gen)	13.24	0.15
Bartoman Ltd	Mr. Md. Mizanur Rahman	LC	0.58	0.00
SAFAH CNG REFUELING STATION LTD.	Mr. Anwar Hussain	BG (Payment Guarantee) Specific	0.53	0.53
AGI FLEX LIMITED	Mr. Anwar Hussain & Mohammad Imran	LC	1.14	3.40
FAMOUS IBERCHEM FLAVOURS & FRAGRANCES LTD	Mr. Mohammad Nawaz	LC(Foreign/Local-Sight/Deferred/UPAS)	5.00	0.77
		PIF	3	1.72
BMIT SOLUTIONS LTD	Mr. Abu Zafar Mohammad Shofuiddin	SOD (WO) - Revolving	7.55	0.00

ii) Credit Card issued to directors

Representing Director	Nature of interest in the Bank	Approved limit	Outstanding as at 30 September 2023 BDT	Outstanding as at 30 June 2023 USD
Mr. Abu Zafar Mohammad Shofuiddin	Chairman, Board of Directors	1,000,000	No Due	No Due
Mr. Abdul Kadir Molla	Member, Board of Directors	1,000,000	Card not issued	under TQ
Engr. Md. Moklesur Rahman	Member, Board of Directors	1,000,000	Tk. 14,515.88	No Due
Al-Haj Mizanur Rahman	Member, Board of Directors	1,000,000	No Due	No Due
Mr. Anwar Hussain	Member, Board of Directors	1,000,000	No Due	49.28
Mr. Musherfiquur Rahman	Member, Board of Directors	1,000,000	No Due	No Due
Mrs. Afroza Sultana	Spouse of Director	1,000,000	No Due	3362.79
Mr. Mohammad Imran	Brother of Director	1,000,000	No Due	236.75
Mrs. Munira Haq	Sister of Director	1,000,000	No Due	No Due
Ms. Mayesha Moliha	Daughter of Director	1,000,000	No Due	No Due
Mr. A K M Mizanur Rahman	Spon. Share Holder	1,000,000	Tk. 230/-	No Due

iii) Business other than banking business with any related concern of the directors as per section 8 (2) of the Banking Companies Act 1991:

Lease agreement made with the directors / related concerns:

Nature of contract	Branch Name	Name of the Director and related by	Remarks
Lease agreement	Head Office, Level # 10, Sun Moon Star Tower	Mr. Al-Haj Mizanur Rahman, Member, Board of Directors, SBAC Bank Ltd. and owner of the premises.	Lease period : 12 Years starting from 05 October 2021 Rental space 31,154 sqft Monthly rent Tk 50.00 per sqft
Lease agreement	Tejgaon Link Road Branch	Ms. Kamrun Naher, owner of the premises is spouse of Engr. Md. Moklesur Rahman, Member, Board of Directors, SBAC Bank Ltd.	Lease period : 9 Years starting from 29 August 2021 Rental space 5,237.47 sqft Monthly rent Tk 180.00 per sqft

iv) The Managing Director & CEO is considered as key management personnel and related remuneration are disclosed in Note 31.

v) Investment in securities of the Directors and their related concern: NIL

vi) Business with subsidiary (SBAC Bank Investment Ltd.)

Nature of Transaction	Outstanding Amount
Special Notice Deposits	50,335,125
Fixed Deposits	354,200,000
Secured Overdraft - SOD FDR and SOD General	586,675,912
Interest Received on FDR	15,166,885
Interest Paid on Deposits	-
Interest on Loans and Advances	36,861,613
Bank Charges	21,512
Receivable from Stock Broker	11,641,902

South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Balance Sheet
As at 30 September 2023

Annexure - B

	Notes	30 September 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3	5,539,690	3,926,208
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	25,000,000	20,000,000
		30,539,690	23,926,208
Balance with other banks and financial institutions			
In Bangladesh	5	-	-
Outside Bangladesh		-	-
Placement with banks & other financial institutions			
Investments in shares & securities	6	-	-
Government	7	30,000,000	30,000,000
Others		-	-
		30,000,000	30,000,000
Investments			
General investments etc.	8	284,023,356	295,113,533
Bills purchased and discounted		-	-
		284,023,356	295,113,533
Fixed assets including premises, furniture and fixtures			
Other assets	9	5,980,195	5,868,687
Non - banking assets	10	199,580,992	16,796,304
		-	-
Total assets		<u>550,124,233</u>	<u>371,704,732</u>
LIABILITIES AND CAPITAL			
Liabilities			
Placements from other banks, financial institutions			
Deposits and other accounts	11	-	-
Mudaraba savings deposits	12	23,895,413	35,322,970
Mudaraba term deposits		432,268,730	270,840,742
Al-wadeeah current deposits and other deposit accounts		23,762,615	17,724,561
Mudaraba special notice deposits		14,659,471	23,557,573
Bills payable		5,055,027	132,898
Other deposits		20,744,695	11,402,244
		520,385,951	358,980,988
Other liabilities	13	18,406,918	9,351,058
Total liabilities		<u>538,792,869</u>	<u>368,332,046</u>
Capital / Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Revaluation gain / (loss) on investments		-	-
Revaluation reserve		-	-
Other reserve		-	-
Surplus in profit and loss account / Retained earnings	14	11,331,364	3,372,686
Total Shareholders' equity		<u>11,331,364</u>	<u>3,372,686</u>
Total liabilities and Shareholders' equity		<u>550,124,233</u>	<u>371,704,732</u>
OFF- BALANCE SHEET EXPOSURE			
Contingent liabilities			
Acceptances and endorsements	15	-	-
Letters of guarantee		2,000,000	10,683,000
Irrevocable letters of credit		2,551,500	-
Bills for collection		-	-
Other contingent liabilities		-	-
		4,551,500	10,683,000
Other commitments			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn, note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Other commitments		-	-
		-	-
Total Off-Balance Sheet exposure including contingent liabilities		<u>4,551,500</u>	<u>10,683,000</u>

South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Profit and Loss Account
For the third quarter ended 30 September 2023

	Notes	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
		Taka	Taka
Investment income	16	19,166,109	5,512,530
Profit paid on deposits	17	12,292,275	4,557,756
Net investment income		6,873,834	954,774
Income from investment in shares / securities	18	776,499	195,846
Commission, exchange and brokerage	19	303,024	95,005
Other operating income	20	1,074,328	36,194
Total operating income (A)		9,027,685	1,281,819
Salaries and allowances	21	97,442	97,442
Rent, taxes, insurance, electricity, etc.		-	-
Legal expenses		-	-
Postage, stamp, telecommunication, etc.		-	-
Stationery, printing, advertisements, etc.	22	3,975	-
Chief Executive's salary and fees		-	-
Directors' fees & expenses		-	-
Auditor's fees		-	-
Shariah supervisory committee's fees and expenses	23	-	-
Depreciation and repair of Bank's assets	24	957,512	329,521
Zakat expenses		-	-
Other expenses	25	10,078	-
Total operating expenses (B)		1,069,007	426,963
Profit / (loss) before provision and tax (C=A-B)		7,958,678	854,856
Provision for investments			
General provision	13.1	-	-
Specific provision		-	-
Provision for Off Balance sheet item	13.2	-	-
Provision for diminution in value of investments		-	-
Total provision (D)		-	-
Total profit before taxes (C-D)	14	7,958,678	854,856

South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Cash Flow Statement
For the third quarter ended 30 September 2023

	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
	Taka	Taka
A) Cash flows from operating activities		
Investment income receipt in cash	19,195,285	5,475,542
Profit paid on deposits	(11,155,523)	(4,590,106)
Dividend receipts	-	-
Income from investments in shares and securities	674,071	(983,096)
Recoveries on investments previously written-off	-	-
Fees and commission receipts in cash	303,024	95,005
Cash payments to employees	(97,442)	(97,442)
Cash payments to suppliers	-	-
Income taxes paid	(35,175)	-
Receipts from other operating activities	1,074,328	36,194
Payments for other operating activities	(10,078)	(252)
Cash generated from operating activities before changes in operating assets and liabilities	9,948,490	(64,155)
Increase / (decrease) in operating assets and liabilities		
Net proceeds from trading securities	-	-
Investments to other banks	-	-
Investments to customers	17,095,632	(188,165,340)
Increase / decrease of other assets	(182,676,261)	135,523,046
Deposits from other banks	-	-
Deposits from customers	161,404,963	(21,452,071)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	767,348	84,427,521
	(3,408,318)	10,333,156
Net cash from operating activities	6,540,172	10,269,001
B) Cash flows from investing activities		
Proceeds from sale of Government securities	-	-
Payments for Purchase of Government securities	-	-
Purchase of property, plant and equipment	(857,695)	-
Sale proceeds of property, plant and equipment	-	-
Net cash used in investing activities	(857,695)	-
C) Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	-	-
Dividends paid / Profit transferred	-	-
Receipts from issue of ordinary share	-	-
Net Cash from financing activities	-	-
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	5,682,477	10,269,001
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period	23,769,977	20,707,311
G) Cash and cash equivalents at end of the period (D+E+F)	29,452,454	30,976,312
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	5,539,690	10,976,312
Prize bond	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	25,000,000	20,000,000
	30,539,690	30,976,312

South Bangla Agriculture and Commerce Bank Limited
Islami Banking Windows
Notes to the Financial Statements
as at and for the third quarter ended 30 September 2023

01 Islami Banking Wing and its activities

Status

The Islamic Banking Wing (IBW) of South Bangla Agriculture and Commerce Bank Limited (the Bank) started its operation on July 05, 2021 with permission from Bangladesh Bank vide letter no. BRPD(P-3)745(68)/2021/-4872 dated June 13, 2021. The Islamic Banking Wing of the Bank is operating its business through 10 (ten) windows in 10 (ten) branches of the Bank.

Principal activities

The Bank offers all kinds of banking services to its customers through the Islamic Banking Windows in the branches complying Shariah Principles following the provisions of the Banking Companies Act, 1991 (as amended up to 2018), Bangladesh Bank's directives and directives of other regulatory authorities. In Islamic Banking Windows, deposits are collected under Al-wadeeah and Mudaraba principles and investments are made following Bai-Murabaha, Bai-Salam, Bai-as-Sarf, hire purchase under Shirkatul Melk, Ijarah principles.

02 Significant accounting policies

The accounting policies set out in the financial statements of the Bank have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the wing.

02.01 Going concern

When preparing financial statements, management makes an assessment of the entity's ability to continue as a going concern. The Wing prepares financial statements on a going concern basis.

02.02 Reporting period

These financial statements of the Islamic Banking Window cover period from 1 January to 30 June.

02.03 Revenue

As per IFRS 15, revenue should be recognised on accrual basis, but due to the unique nature of Islamic Banking, income from investments under Bai-Murabaha, Bi-Salam, Bai-Istisna, HPSM, Ijarah, Quard, IDBP and FDBP modes are accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

02.04 Investment Income

Income from general investments is accounted for on accrual basis except investments under Musharaka, Mudaraba, Bai-Salam, Bai-as-Sarf and Ijarah modes, where the investment income is accounted for on realization basis. The Wing does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis.

Profit/Rent/Compensation accrued on classified investments are suspended and accounted for as per circulars issued by Bangladesh Bank in this regard from time to time. At the time of recovery or regularization of those investments the related income which was suspended and shown as a liability is taken as investment income (except compensation) as per circulars issued by Bangladesh Bank. As a result, all the transferred amount to investment income from suspense during the year has already been included in the investment income of the Wing.

Profit on deposits with other banks & financial institutions is accounted for on accrual basis.

02.05 Sharing of investment income

In case of investment, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba Fund is shared by the IBW of the Bank and the Mudaraba depositors at the pre-agreed ratio.

02.06 Income on Investments in Securities

Income on investments in securities is recognised on accrual basis.

02.07 Profit Suspense/Compensation Account & Shari'ah Non-Compliance Income

Profit/compensation accrued on classified investments is suspended and accounted for as per circulars issued by the Bangladesh Bank.

Moreover, income which is irregular (doubtful) as per Shari'ah is also not included in the distributable income of the Wing. The entity (Wing) charges compensation on unclassified overdue investments. Such compensation is not permissible as regular income of the Bank as per Shari'ah.

Interest received from the balances held with Foreign Banks abroad and from Foreign Currency Clearing Account with the Bangladesh Bank and also other interest based Banks are also not credited to regular income since it is not permissible as per Shari'ah. Such doubtful income is being appropriated for charitable purpose.

02.08 Profit shared on deposits

Profit on deposits are recognized on accrual basis.

Mudaraba depositors of the IBW share income derived from investing activities deploying the Mudaraba funds. Income under these categories includes profit, dividend, capital gain, rent, exchange gain and any other gain derived from deployment of Mudaraba funds.

	30 September 2023 Taka	31 December 2022 Taka
3. Cash in hand		
In hand		
In local currency	5,539,690	3,926,208
In foreign currency	-	-
	5,539,690	3,926,208
4. Balance with Bangladesh Bank and its agents		
Balance with Bangladesh Bank		
In local currency	25,000,000	20,000,000
In Foreign currency	-	-
	25,000,000	20,000,000
Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
	25,000,000	20,000,000
5. Balance with other banks and financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
6. Placement with banks & other financial institutions	-	-
7. Investments in share & securities		
Government (note 7.1)	30,000,000	30,000,000
Others	-	-
	30,000,000	30,000,000
7.1 Government		
Ijarah Sukuk Bond	30,000,000	30,000,000
8. Investments		
General investment (note 8.1)	284,023,356	295,113,533
Bills purchaseed and negotiated (note 8.2)	-	-
	284,023,356	295,113,533
8.1 General investment		
Inside Bangladesh		
BAI Murabaha CSME under stimulus finance	-	-
BAI Murabaha - work order	6,434,708	30,971,941
BAI Murabaha - commercial	190,354,965	180,276,579
BAI Murabaha - agriculture	2,921,881	2,995,890
BAI Murabaha - SME	5,454,743	6,244,964
Murabaha post import finance	-	-
HPSM (Staff)	34,461,039	20,178,351
HPSM (car)	3,482,831	6,718,726
HPSM (real estate)	40,913,189	47,727,082
	284,023,356	295,113,533
Outside Bangladesh	-	-
	284,023,356	295,113,533
8.2 Bills purchaseed and negotiated		
Payable Inside Bangladesh	-	-
Payable Outside Bangladesh	-	-
	284,023,356	295,113,533.00
9. Fixed assets including premises, furniture and fixtures		
Property, Plant & Equipment		
Furniture & Fixtures	149,784	149,784
Machineries and Equipments	5,190	5,190
Computer and Peripherals	998,395	140,700
Software	6,250,000	6,250,000
Total fixed assets at cost	7,403,369	6,545,674
Less: Accumulated depreciation	1,423,174	676,987
Net book value at the end of the year	5,980,195	5,868,687
10. Other assets		
Stationeries	1,333,058	1,340,017
Stamps	4,070	7,920
Accrued profit	174,401	101,149
Advance Income Tax	152,425	117,250
Suspense	-	-
Receiveable from convelional banking	197,917,038	15,229,968
	199,580,992	16,796,304

	30 September 2023 Taka	31 December 2022 Taka
11. Placements from other banks, financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
12. Deposits and other accounts		
Al wadeeah current deposits and other accounts	23,762,615	17,724,561
Mudaraba savings deposits	23,895,413	35,322,970
Mudaraba term deposits	432,268,730	270,840,742
Mudaraba special notice deposits	14,659,471	23,557,573
Others deposit	20,744,695	11,402,244
Bill Payable	5,055,027	132,898
	520,385,951	358,980,988
13. Other liabilities		
Profit payable on deposit	3,193,260	2,056,508
Unearned Profit	11,566,555	5,561,100
Provision against investments (note 13.1)	1,185,338	1,185,338
Provision against off balance sheet exposures (note 13.2)	106,830	106,830
Compensation Realization	1,146,305	-
Payable to Conventional Banking	-	-
Others	1,208,630	441,282
	18,406,918	9,351,058
13.1 Provision against investments		
A. General provision against investments		
Opening balance	1,185,338	453,825
General provision for the year	-	731,513
Provision held at the end of the period	1,185,338	1,185,338
B. Specific provision against classified investments		
Opening balance	-	-
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the period	-	-
Less : Specific provision no more required as loans realized/regularized	-	-
Add : Net charge to profit and loss account	-	-
Provision held at the end of the period	1,185,338	1,185,338
13.2 Provision against off balance sheet exposures		
Opening balance	106,830	549,908
General provision for the year	-	(443,078)
Provision held at the year end	106,830	106,830
14. Surplus in profit and loss account / Retained earnings		
Opening balance	3,372,686	(968,325)
Add : Net profit during the period	7,958,678	4,376,419
Less : Transferred to Conventional Banking	-	(35,408)
Closing balance	11,331,364	3,372,686
15. Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	2,000,000	10,683,000
Irrevocable Letters of Credit	2,551,500	-
Bills for collection	-	-
Others	-	-
	4,551,500	10,683,000
16. Investment income		
Income from general investment		
Bai-Murabaha	17,414,706	3,788,829
Bai-Muajjal (CC hypo)	-	-
Bai-Salam (packing credit)	-	-
Murabaha PIF	-	-
Hire purchase	1,751,403	1,723,701
Other investments	-	-
Sub-total (i)	19,166,109	5,512,530

Profit on deposits with other Islamic banks		
In Bangladesh	-	-
Out side Bangladesh	-	-
Sub-total (ii)	-	-
Grand total (i+ii)	19,166,109	5,512,530
17. Profit paid on deposits		
a) Profit paid on deposits:		
Mudaraba savings deposits	405,905	219,747
Mudaraba special notice deposits	238,473	177,268
Mudaraba term deposits	11,180,208	3,985,961
Others deposits	467,689	174,780
	12,292,275	4,557,756
	01 Jan 2023 to 30 September 2023	01 Jan 2022 to 30 September 2022
	Taka	Taka
18. Income from investment in shares / securities		
Profit earned from Sukuk bond	776,499	195,846
Others	-	-
	776,499	195,846
19. Commission, exchange and brokerage		
Commission on L/Cs-sight	47,042	30,075
Commission on L/Gs	35,140	20,000
Commission on acceptance	-	-
Exchange	145,028	41,400
Other commission	75,814	3,530
	303,024	95,005
20. Other operating income		
Service and other charges	1,049,453	25,591
RTGS charges	-	-
Miscellaneous earnings	24,875	10,603
	1,074,328	36,194
21. Salaries and allowances		
Basic salary	45,976	45,976
House rent allowance	22,988	22,988
Conveyance allowance	4,800	4,800
Medical allowance	5,400	5,400
Other allowances	13,680	13,680
Bank's contribution to provident fund	4,598	4,598
	97,442	97,442
22. Stationery, printing and advertisements, etc.		
Stationery	3,975	-
Publicity and advertisement	-	-
	3,975	-
23. Shariah supervisory committee's fees and expenses		
Meeting attendance fees	-	-
24. Depreciation and repair of Bank's assets		
Depreciation		
Fixed assets	957,512	329,521
Leased assets	-	-
	957,512	329,521
Repairs		
Repair & Maintenance	-	-
	-	-
	957,512	329,521
25. Other expenses		
Entertainment	8,220	-
Cash carrying charges	-	-
Local Conveyance	-	-
Miscellaneous expenses	1,858	252
	10,078	252

South Bangla Agriculture and Commerce Bank Limited
Balance Sheet (Off-Shore Banking Unit)
As at 30 September 2023

	Notes	30 September 2023		31 December 2022	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
Cash in hand (Including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		-	-	-	-
		-	-	-	-
Balance with other banks and financial institutions	3				
In Bangladesh		711,884	78,485,211	536,467	54,987,907
Outside Bangladesh		-	-	-	-
		711,884	78,485,211	536,467	54,987,907
Money at call on short notice		-	-	-	-
Investments:					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Loans and advances	4				
Loans, cash credit, overdrafts etc.		-	-	2,153,701	220,754,353
Bills purchased and discounted		2,124,106	234,182,687	-	-
		2,124,106	234,182,687	2,153,701	220,754,353
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	(7,131)	(786,193)	-	-
Non-banking assets		-	-	-	-
TOTAL ASSETS		2,828,859	311,881,705	2,690,168	275,742,260
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	2,068,864	228,092,256	2,078,286	213,024,332
Deposits and other accounts					
Current accounts and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
		-	-	-	-
Subordinated bonds		-	-	-	-
Other liabilities	7	21,241	2,341,827	21,537	2,207,545
TOTAL LIABILITIES		2,090,105	230,434,083	2,099,823	215,231,877
Capital/ Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Foreign currency translation gain/(loss)	8	-	12,675,503	-	7,933,440
Profit and loss account - retained earnings	9	738,754	68,772,119	590,345	52,576,943
TOTAL SHAREHOLDERS' EQUITY		738,754	81,447,622	590,345	60,510,383
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,828,859	311,881,705	2,690,168	275,742,260

Notes	2022		2021	
	USD	Taka	USD	Taka
OFF-BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptance and endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit	-	-	-	-
Bills for collection	-	-	-	-
Other contingent liabilities	-	-	-	-
Total	-	-	-	-
Other commitments				
Documentary credits and short term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and	-	-	-	-
Claims against the Bank not acknowledged as debt	-	-	-	-
Total	-	-	-	-
Total off-balance sheet items including contingent liabilities	-	-	-	-

South Bangla Agriculture and Commerce Bank Limited
Profit and Loss Account (Off-shore Banking Unit)
For the third quarter ended 30 September 2023

	Notes	01 Jan 2023 to 30		01 Jan 2022 to 30	
		September 2023		September 2022	
		USD	Taka	USD	Taka
Interest income	10	148,113	16,329,458	161,411	15,011,223
Less: Interest paid on deposits and borrowings etc.		-	-	-	-
Net interest income		148,113	16,329,458	161,411	15,011,223
Investment income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
Total operating income		148,113	16,329,458	161,411	15,011,223
Salary and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal and professional expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		-	-	-	-
Profit before provision		148,113	16,329,458	161,411	15,011,223
Provision for loan					
Specific provision		-	-	-	-
General provision (including off balance sheet items)	7.1	(296)	134,282	(1,921)	(164,610)
		(296)	134,282	(1,921)	(164,610)
Other provisions		-	-	-	-
Total provision		(296)	134,282	(1,921)	(164,610)
Total Profit before taxes		148,409	16,195,176	163,332	15,175,833
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit after taxation	9	148,409	16,195,176	163,332	15,175,833

South Bangla Agriculture and Commerce Bank Limited
Cash Flow Statement (Off-shore Banking Unit)
For the third quarter ended 30 September 2023

Notes	01 Jan 2023 to 30 September 2023		01 Jan 2022 to 30 September 2022	
	USD	Taka	USD	Taka
A) Cash flows from operating activities				
Interest receipts in cash	155,244	17,115,651	161,411	15,011,223
Interest payments	-	-	-	-
Dividend receipts	-	-	-	-
Income from investments	-	-	-	-
Recoveries on loans and advances previously written-off	-	-	-	-
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Income taxes paid	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payments for other operating activities	-	-	-	-
Operating profit before changes in operating assets and liabilities	155,244	17,115,651	161,411	15,011,223
Increase / decrease in operating assets and liabilities				
Statutory deposits	-	-	-	-
Sale of trading securities	-	-	-	-
Purchase of trading securities	-	-	-	-
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	29,595	(13,428,334)	2,775,680	258,138,240
Increase / decrease of other assets	-	-	-	-
Deposits from other banks	-	-	-	-
Deposits from customers	-	-	-	-
Increase / decrease of other liabilities account of customers	-	-	-	-
Increase / decrease of trading liabilities	-	-	-	-
Increase / decrease of other liabilities	-	-	-	-
	29,595	(13,428,334)	2,775,680	258,138,240
Net cash from operating activities	184,839	3,687,317	2,937,091	273,149,463
B) Cash flows from investing activities				
Proceeds from sale of Government securities	-	-	-	-
Payments for Purchase of Government securities	-	-	-	-
Purchase of property, plant and equipment	-	-	-	-
Sale of property, plant and equipment	-	-	-	-
Net cash from investing activities	-	-	-	-
C) Cash flows from financing activities				
Borrowing from other banks, financial institutions and agents	(9,422)	15,067,924	(2,696,835)	(250,805,655)
Dividends paid	-	-	-	-
Net cash from financing activities	(9,422)	15,067,924	(2,696,835)	(250,805,655)
D) Net increase / (decrease) in cash (A+B+C)	175,417	18,755,241	240,256	22,343,808
E) Effects of exchange rate changes on cash and cash-equivalent	-	4,742,063	15,887	1,477,491
F) Cash and cash-equivalents at beginning period	536,467	54,987,907	280,324	26,070,132
G) Cash and cash-equivalents at end of period (D+E+F)	711,884	78,485,211	536,467	49,891,431
H) Cash and cash-equivalents at end of period				
Cash in hand including foreign currencies	-	-	-	-
Balances with Bangladesh Bank and its agent bank(s) including foreign currencies	-	-	-	-
Balances with other Banks and Financial institutions	711,884	78,485,211	536,467	49,891,431
	711,884	78,485,211	536,467	49,891,431

South Bangla Agriculture and Commerce Bank Limited
Notes to the Financial Statements (Off-shore Banking Unit)
as at and for the third quarter ended 30 September 2023

1. Status of the unit

1.1 The Off-shore Banking Units (OBU) of South Bangla Agriculture & Commerce Bank Limited are governed by the applicable rules & regulations of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as at 31 December 2022, located at International Division, Head Office, Dhaka.

1.2 Nature of business

The principal activities of Bank are to carry on all kinds of banking business in accordance with applicable rules and regulations of Bangladesh Bank for operations of Off-shore Banking Unit in Bangladesh.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements of Bank have been prepared under historical cost convention and in accordance with the Bank Companies Act, 1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other rules and regulations applicable in Bangladesh.

2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revision of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.3 Functional and presentation currency

The functional currency of OBU is US Dollar (USD). Transactions are recorded in the functional currency (USD). The financial statements are presented both in USD and equivalent Bangladesh Taka (BDT). For preparation of financial statements, all the balance sheet items are converted into equivalent BDT using the closing exchange rate (USD 1 = BDT 110.25), while the revenue items are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month (USD 1 = BDT 110.25). Resulting exchange differences are recognized as a separate component of equity.

2.4 Foreign currency transactions

a) Foreign currencies translation

Amounts in foreign currency are translated in accordance with the principles set forth in IAS 21 - "The Effects of Changes in Foreign Exchange Rates".

b) Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

2.5 Loans and advances

a) Loans and advances are started at gross amount. While the provision and interest suspense against loans and advances are shown separately as other liabilities.

b) Interest income is calculated on daily product basis and accounted for on quarterly rest on accrual basis until the loans and advances are defined as classified accounts as per Bangladesh Bank guidelines. As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

c) Provision for loans and advances is made on the basis of the year end review by the management of the Bank in line with the instructions contained in BRPD Master Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 and 06 dated 29 May 2013, BRPD Circular No. 15 dated 23 December 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 01 dated 20 February 2018, BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No. 3 (21 April 2019), BRPD circular No. 16 (21 July 2020) and BRPD circular No. 52 (20 October 2020) and BRPD circular no. 05 (29 May 2013), issued by Bangladesh Bank.

2.6 Provision for taxation

Offshore Banking Unit (OBU) is an integral business unit of the Bank. The income from OBU is included in the separate financial statement of the Bank and tax has been provided on total income of the Bank including income from OBU. Hence provision for tax has not been calculated for OBU portion separately.

2.7 Revenue recognition

The revenues of the OBU during the year have been recognized in terms of the provision of International Financial Reporting Standards 15, 'Revenue from Contracts with Customers' as outlined below:

2.7.1 Interest income

Interest income from loans and advances is recognized on accrual basis.

2.7.2 Fees and commission income

Fees and commission income arising from different services provided by the Units are recognized on cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.7.3 Interest paid on deposits and borrowings

Interest paid on deposits, borrowings etc. are accounted for on accrual basis.

2.8 Cash flow statement

Cash flow statement has been prepared in accordance with the International Accounting Standard (IAS) 7, 'Statement of Cash Flow' under Direct method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh bank.

2.9 Cash and cash equivalents

Cash and cash equivalents includes notes and coins on 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 unit management for its short-term commitments.

2.10 Reporting period

These financial statements of the OBU cover period from 1 January to 30 June.

2.11 General

i) Figures appearing in these financial statements have been rounded off to the nearest USD and BDT.

	30 September 2023		31 December 2022	
	USD	Taka	USD	Taka
3. Balance with other banks and financial institutions				
In Bangladesh (note 3.1)	711,884	78,485,211	536,467	54,987,907
Outside Bangladesh	-	-	-	-
	711,884	78,485,211	536,467	54,987,907
3.1 Balance with other banks and financial institutions				
SBAC Bank Limited (USD)	707,003	77,947,080.75	531,586	54,487,611
SBAC Bank Limited (EURO)	4,881	538,130.25	4,881	500,296
	711,884	78,485,211	536,467	54,987,907
4. Loans and advances				
Loans, cash credit, overdrafts etc.			2,153,701	220,754,353
Bills purchased and discounted	2,124,106	234,182,687		
	2,124,106	234,182,687	2,153,701	220,754,353
4.1 Residual maturity grouping of loans and advances including bills purchased and discounted				
Payable				
On demand	-	-	-	-
Within one month	291,409	32,127,810	295,469	30,285,560
Within one to three months	1,673,137	184,463,364	1,696,449	173,886,000
Within three to twelve months	159,560	17,591,513	161,783	16,582,793
Within one to five years	-	-	-	-
More than five years	-	-	-	-
	2,124,106	234,182,687	2,153,701	220,754,353
4.2 Classification status of loans and advances including bills purchased and discounted				
Unclassified loans and advances (including staff loans)				
i) Standard	2,124,106	234,182,687	2,153,701	220,754,353
ii) Special mention account (SMA)	-	-	-	-
	2,124,106	234,182,687	2,153,701	220,754,353
Classified loans and advances				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	2,124,106	234,182,687	2,153,701	220,754,353
Total	2,124,106	234,182,687	2,153,701	220,754,353

4.3 Classification and provisioning of loans and advances including bills purchased and discounted

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 March 2023		Base for Provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank	Amount of provision required as at 31 March 2023 (USD)	Amount of provision required as at 30 June 2023 (Taka)
	USD	Taka				
Unclassified loans and advances						
Small & medium enterprise financing	-	-	-	0.25%	-	-
Other than small medium enterprise financing	2,124,106	234,182,687	234,182,687	1.00%	21,241	2,341,827
Special mention account	-	-	-	1.00%	-	-
Total unclassified loans and advances	2,124,106	234,182,687	234,182,687		21,241	2,341,827
Classified loans and advances						
Sub-standard	-	-	-	20.00%	-	-
Doubtful	-	-	-	50.00%	-	-
Bad / loss	-	-	-	100.00%	-	-
Total classified loans and advances	-	-	-		-	-
Total	2,124,106	234,182,687	234,182,687		21,241	2,341,827
Total provision maintained					21,241	2,341,827
Total provision surplus / (deficit)					-	-

	30 September 2023		31 December 2022	
	USD	Taka	USD	Taka
4.4 Geographical location-wise loans and advances including bills purchased and discounted				
Dhaka Division	2,124,106	234,182,687	2,153,701	220,754,353
Chattogram Division	-	-	-	-
	2,124,106	234,182,687	2,153,701	220,754,353
5. Other assets				
Interest accrued on loans and advances but not collected	(7,131)	(786,193)	-	-
	(7,131)	(786,193)	-	-
6. Borrowings from other banks, financial institutions and agents				
a) In Bangladesh				
Borrowings from SBAC Bank, Head Office	2,068,864	228,092,256	2,078,286	213,024,332
b) Outside Bangladesh				
	2,068,864	228,092,256	2,078,286	213,024,332
7. Other liabilities				
Accumulated provision on loans and advances (note 7.1)	21,241	2,341,827	21,537	2,207,545
	21,241	2,341,827	21,537	2,207,545
7.1 Accumulated provision on loans and advances				
General provision on loans and advances				
Opening balance	21,537	2,207,545	65,757	5,632,110
Add : Provision made during the period	(296)	134,282	(44,220)	(3,424,565)
Closing balance	21,241	2,341,827	21,537	2,207,545
8. Foreign currency translation gain/(loss)				
Opening balance	-	7,933,440	-	251,592
Add : Addition during the period	-	4,742,063	-	7,681,848
	-	12,675,503	-	7,933,440
Less : Adjustment during the period	-	-	-	-
Closing balance	-	12,675,503	-	7,933,440
9. Profit and loss account - retained earnings				
Opening balance	590,345	52,576,943	207,416	17,513,604
Net profit / (loss) during the period	148,409	16,195,176	382,929	35,063,339
Closing balance	738,754	68,772,119	590,345	52,576,943
10. Interest income				
Interest on loans and advances	148,113	16,329,458	161,411	15,011,223
	148,113	16,329,458	161,411	15,011,223