

SBAC Bank PLC.

Audited Financial Statements

For the year ended 31 December 2023

Independent Auditors' Report

To the Shareholders of SBAC Bank PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of SBAC Bank PLC and its subsidiary (the "Group") as well as the separate financial statements of SBAC Bank PLC (the "Bank"), which comprise the consolidated and separate balance sheets as at December 31, 2023 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at December 31, 2023 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

Basis for Opinion:

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

Emphasis of Matter

We draw your attention to Note # 8.10 to the financial statements, the bank explained the basis for measurement and recognition of provision required, maintained and the provision shortfall against loans, advances and leases/investments. As of the balance sheet, the bank had a provision shortfall which has been deferred until the financial statements for the year 2024 are finalized with the permission from Bangladesh Bank (through letter no: DOS (CAMS)1157/41(dividend)/2024-1836 dated 30 April 2024). Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
With reference to Note 13.4 to the Financial Statements, the process for calculating the provision for loans and advances portfolio associated with credit risk is significant and complex. The Bank	We tested the design and operating effectiveness of key controls focusing on the following:



<p>calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments.</p> <p>In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provisions for additional non-performing loans in line with the central bank's guidelines. The Bank identifies impaired loan accounts and calculates required provisions manually. Furthermore, management has incentive to maintain lower provisions for loans and advances to overstate profit.</p> <p>Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter.</p> <p>At year end, the Group reported total gross loans and advances of BDT 86,644.19 million (2022: BDT 77,827.25 million) and provision for loans and advances of BDT 3,464.38 million (2022: BDT 2,743.59 million). On the other hand, the Bank reported loans and advances of BDT 86,841.60 million (2022: 77,827.26 million) on a solo basis.</p>	<ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed the quarterly Classification of Loans (CL) • Reviewed the appropriateness of the approvals for the transfer of interests to the Income account in accordance with the Bangladesh Bank's guidelines. • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines. Reviewed the grounds for recommendations for approvals in cases of transfer of interests to Income account; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • Finally, compared the amount of provision requirement as determined by the Bangladesh Bank inspection team to the actual amount of provision maintained.
<p>See note nos. 8, 13.4 and 13.5 to the financial statements</p>	

Recognition of interest income on loans and advances	
<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environments.</p> <p>We identify recognition of interest income from loans, advances and leases as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedures to check whether interest income is recognized completely and accurately.</p>



	We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.
See note no. 21 to the financial statements	

Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note nos. 7 to the financial statements	

Measurement of Deferred Tax	
<p>We identified the measurement of deferred tax assets/liabilities as a key audit matter due to the recognition of these assets/liabilities involving judgement by management as to the likelihood of the realization of these deferred tax assets/liabilities, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.</p> <p>The Bank disclosed deferred tax assets and deferred tax liabilities of BDT 1056.86 million (2022: BDT 1230.57 million) and BDT 1107.33 million (2022: BDT 1225.05 million) respectively as of 31 December 2023. The Bank disclosed net deferred tax assets of BDT 83.08 million (2022: BDT 22.47 million) as of 31 December 2023.</p>	<p>Our procedures in relation to management's assessment about the measurement of deferred tax assets/liabilities included:</p> <ul style="list-style-type: none"> Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts; Obtaining the communications between the Bank and taxation authorities regarding tax positions; and Assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.
See note no 10.5 and 10.5.1 to the financial statements	



IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p>
<p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p>
	<p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p>
	<p>We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p>
	<p>We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.</p>

Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p>
	<p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p>
	<p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p>
<p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p>	<p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information.</p>
	<p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>



Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial statement.	
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Reporting on other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 3, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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



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

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

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

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


Report on other Legal and Regulatory Requirements


In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;



- (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) consolidated financial statements of the Bank include one subsidiary, namely SBAC Bank Investment Limited, reflecting total assets of BDT 1,131,172,072 as at December 31, 2023 and total revenue of Tk. 66,175,808 for the year ended December 31, 2023 which has been audited by Hoda Vasi Chowdhury & Co, Chartered Accountants who has expressed unqualified audit opinion on the financial statements. The results of this subsidiary have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for loans and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000-person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.


Md Shahadat Hossain, FCA
Engagement Partner
Enrolment No.: 0672
MABS & J Partners
Chartered Accountants
DVC No: 2404300672AS296377


A. K. Gulam Kibria, FCA
Engagement Partner
Enrolment No.: 0392
G. KIBRIA & Co.
Chartered Accountants
DVC No: 2404300392AS522128

Date: 30 APR 2024

Place: Dhaka







SBAC Bank PLC.
Consolidated Balance Sheet
As at 31 December 2023

	Note	2023 Taka	2022 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3	986,784,658	987,504,162
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	4,240,008,595	4,305,691,078
		5,226,793,253	5,293,195,240
Balance with other banks and financial institutions			
In Bangladesh	5	2,491,722,217	2,624,168,675
Outside Bangladesh		480,862,223	278,571,754
		2,972,584,440	2,902,740,429
Money at call on short notice			
Investments in shares & securities:			
Government	7	16,290,335,637	14,959,513,358
Others		2,217,305,796	2,167,050,201
		18,507,641,433	17,126,563,559
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8	85,345,812,070	76,045,414,350
Bills purchased and discounted		1,298,382,733	1,781,844,637
		86,644,194,803	77,827,258,987
Fixed assets including premises, furniture and fixtures	9	1,494,412,309	1,743,266,973
Other assets	10	2,418,506,928	1,414,038,668
Non-banking assets		-	-
TOTAL ASSETS		117,264,133,166	106,307,063,856
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	3,262,983,361	4,031,548,707
Deposits and other accounts			
Current / Al-waddeeah current deposits and other accounts	12	12,699,833,374	9,236,436,097
Special notice / mudaraba special notice deposits		5,912,385,204	4,370,193,970
Bills payable		5,011,369,023	3,197,410,868
Savings bank / mudaraba savings deposits		6,578,429,379	6,920,991,538
Fixed / mudaraba term deposits		48,386,387,676	45,698,467,000
Other deposits		14,733,176,576	14,786,087,582
		93,321,581,232	84,209,587,055
Subordinated bonds		-	-
Other liabilities	13	9,554,218,317	7,236,281,537
TOTAL LIABILITIES		106,138,782,910	95,477,417,299
Capital/ Shareholders' equity			
Paid up capital	14.3	8,241,916,500	8,160,313,370
Statutory reserve	15	2,486,942,756	2,204,928,598
General reserve		-	-
Non-controlling (Minority) interest	14.11	435,111	432,182
Other reserve (revaluation reserve on Govt. Securities)	16	22,049,131	65,228,536
Capital reserve	16.1	3,269,920	516,704
Foreign currency translation reserve	16.2	12,710,366	7,933,440
Surplus in profit and loss account	17	358,026,473	390,293,727
TOTAL SHAREHOLDERS' EQUITY		11,125,350,257	10,829,646,557
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		117,264,133,166	106,307,063,856




	Note	2023 Taka	2022 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	18		
Acceptance and endorsements		4,682,195,862	4,948,539,066
Letters of guarantee		14,011,516,153	10,830,648,085
Irrevocable letters of credit		6,146,781,395	4,290,338,894
Bills for collection		4,518,447,260	1,712,915,295
Other contingent liabilities		-	-
Total		29,358,940,670	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		29,358,940,670	21,782,441,340
Net asset value per share (NAV)	41.2	13.50	13.14

Accompanying notes form an integral part of these financial statements.

 Director
  Director
  Director
  Managing Director & CEO

Signed in terms of our report of even date.


 Md. Shahadat Hossain, FCA
 Engagement Partner
 Enrolment No. : 0672
 MABS & J Partners
 Chartered Accountants


 A. K. Gulam Kibria, FCA
 Engagement Partner
 Enrolment No. : 0392
 G. Kibria & Co.
 Chartered Accountants

DVC No. : **2404300672AS296377**

DVC No. **2404300392AS522128**





Dhaka, 30 April 2024



SBAC Bank PLC.
Consolidated Profit and Loss Account
For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Interest income / profit on investment	21	6,900,072,745	5,884,348,080
Less: Interest / profit paid on deposits, borrowings etc.	22	5,244,053,626	4,606,948,354
Net interest income		1,656,019,119	1,277,399,726
Income from investment in shares / securities	23	1,733,696,443	1,705,312,095
Commission, exchange and brokerage	24	1,158,338,591	1,060,376,446
Other operating income	25	451,466,453	203,089,610
		3,343,501,487	2,968,778,151
Total operating income		4,999,520,606	4,246,177,877
Salary and allowances	26	1,818,219,763	1,582,785,451
Rent, taxes, insurance, electricity etc.	27	181,997,418	167,401,325
Legal and professional expenses	28	5,172,122	9,391,958
Postage, stamp, telecommunication etc.	29	7,223,831	15,034,133
Stationery, printing, advertisement etc.	30	56,378,622	43,413,464
Chief executive's salary and fees	31	13,240,000	11,785,897
Directors' fees	32	3,704,000	3,296,000
Auditors' fees	33	1,052,250	977,500
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34	396,710,287	381,644,842
Other expenses	35	266,835,085	233,883,413
Total operating expenses		2,750,533,378	2,449,613,983
Profit before provision		2,248,987,228	1,796,563,894
Provision for loans and advances / investments			
Specific provision	13.4	671,885,914	303,609,894
Special general provision - COVID-19	13.5	(9,727,475)	(102,389,406)
General provision (including off balance sheet items)	13.4 & 13.6	100,690,791	180,659,852
		762,849,230	381,880,340
Provision for rebate to good borrowers	13.7	-	(19,000,000)
Provision for diminution in value of investments in shares	13.11	25,498,394	91,072,365
Other provision		28,494,000	20,894,000
Total provision		816,841,624	474,846,705
Total Profit before taxes		1,432,145,604	1,321,717,189
Provision for taxation	36		
Current tax		946,339,730	732,773,385
Deferred tax		(60,557,383)	(689,055)
		885,782,347	732,084,330
Net profit after taxation		546,363,258	589,632,859
Appropriations			
Statutory reserve	15	282,014,158	257,434,609
General reserve		-	-
Capital reserve	16.1	2,753,216	516,704
Startup fund	13.10	5,366,116	5,621,007
Retained surplus	17	256,229,768	326,060,539
		546,363,258	589,632,859
Earnings per share (EPS)	40.2	0.66	0.72

Accompanying notes form an integral part of these financial statements.





 Director Director Director Managing Director & CEO

Signed in terms of our report of even date.

Md. Shahadat Hossain, FCA
 Engagement Partner
 Enrolment No. : 0672
 MABS & J Partners
 Chartered Accountants

A. K. Gulam Kibria, FCA
 Engagement Partner
 Enrolment No. : 0392
 G. Kibria & Co.
 Chartered Accountants

DVC No. : **2404300672AS296377**
 Dhaka, 30 April 2024

DVC No. :



2404300392AS522128

SBAC Bank PLC.
Consolidated Cash Flow Statement
For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
A) Cash flows from operating activities			
Interest / profit receipts in cash		6,908,863,941	6,044,448,738
Interest / profit payments		(5,193,531,328)	(4,530,118,116)
Dividend receipts		74,260,595	72,448,165
Income from investments		1,341,737,048	1,583,759,920
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		238,955,473	140,993,328
Cash payments to employees		(1,835,163,763)	(1,597,867,348)
Cash payments to suppliers		(251,583,540)	(254,311,506)
Income taxes paid		(852,475,888)	(701,724,742)
Receipts from other operating activities		451,466,453	203,089,610
Payments for other operating activities		(266,835,085)	(233,883,413)
Operating cash flow before changes in operating assets and liabilities		615,693,906	726,834,636
Increase / decrease in operating assets and liabilities			
Net proceeds from trading securities		1,628,488,145	1,519,520,059
Loans and advances to other banks		-	-
Loans and advances to customers		(8,147,465,716)	(11,355,066,435)
(Increase) / decrease of other assets	37.1	(139,418,316)	31,577,507
Deposits from other banks		(1,017,703,541)	2,600,148,611
Deposits from customers		10,063,382,097	8,852,035,169
Increase / (decrease) of other liabilities account of customers		-	-
Increase / (decrease) of trading liabilities		-	-
Increase / (decrease) of other liabilities	38.1	(109,770,611)	88,297,893
		2,277,512,058	1,736,512,804
Net cash flow from operating activities		2,893,205,964	2,463,347,440
B) Cash flows from investing activities			
Proceeds from sale of Government securities		89,857,263,665	85,475,632,225
Payments for Purchase of Government securities		(92,523,434,007)	(86,685,731,821)
Purchase of property, plant and equipment		(117,696,908)	(478,716,586)
Sale proceeds of property, plant and equipment		-	-
Net cash flow from investing activities		(2,783,867,250)	(1,688,816,182)
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(768,565,346)	(4,732,135,363)
Dividends paid		(261,491,388)	(236,940,985)
Receipts from issue of ordinary share		-	-
Net cash flow from financing activities		(1,030,056,734)	(4,969,076,348)
D) Net increase / (decrease) in cash (A+B+C)		(920,718,020)	(4,194,545,090)
E) Effects of exchange rate changes on cash and cash-equivalent		924,160,044	927,064,966
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)		8,199,377,693	8,195,935,669
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	986,784,658	987,504,162
Balances with Bangladesh Bank and its agent bank(s)	4	4,240,008,595	4,305,691,078
Balances with other Banks and Financial institutions	5	2,972,584,440	2,902,740,429
		8,199,377,693	8,195,935,669
Net operating cash flow per share (NOCFPS)	42.2	3.51	2.99

Accompanying notes form an integral part of these financial statements.



Director

Director

Director

Managing Director & CEO




SBAC Bank PLC.
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital reserve Taka	F.C. Translation Reserve Taka	Retained Earnings Taka	Non-controlling 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	-	-	-	-	-	546,363,258	-	546,363,258
Transfer to statutory reserve	-	282,014,158	-	-	-	(282,014,158)	-	-
Transfer to statup fund	-	-	-	-	-	(5,366,116)	-	(5,366,116)
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(43,179,405)	-	-	-	-	(43,179,405)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	4,776,926	-	-	4,776,926
Transferred to capital reserve	-	-	-	2,753,216	-	(2,753,216)	2,929	2,929
Non-controlling (Minority) interest	-	-	-	-	-	(29,944)	-	(29,944)
Proposed dividend	81,603,130	-	-	-	-	-	-	81,603,130
Stock dividend issued	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	(288,467,078)	-	(288,467,078)
Balance as on 31 December 2023	8,241,916,500	2,486,942,756	22,049,131	3,269,920	12,710,366	358,026,473	435,111	11,125,350,257
Balance as on 31 December 2022	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

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


 Director

 
 Director Director


 Managing Director & CEO



SBAC Bank PLC.
Consolidated Liquidity Statement (asset and liabilities maturity analysis)
As at 31 December 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)	986,784,658	-	-	-	-	986,784,658
Balance with Bangladesh Bank and its agent Banks	644,009,595	-	-	-	3,595,999,000	4,240,008,595
Balance with other banks & financial institutions	1,058,862,967	400,000,000	1,513,721,473	-	-	2,972,584,440
Money at call on short notice	-	-	-	-	-	-
Investments in shares & securities	497,058,012	989,911,424	742,969,352	1,406,416,773	14,871,285,873	18,507,641,434
Loans, advances and lease / investments	12,645,717,504	17,220,255,726	27,491,582,529	16,948,963,996	12,337,675,048	86,644,194,803
Fixed assets including premises, furniture and fixtures	28,441,254	56,882,509	255,971,290	1,039,901,989	113,215,266	1,494,412,309
Other assets	263,843,806	439,493,413	707,913,801	1,007,255,908	-	2,418,506,928
Non-Banking assets	-	-	-	-	-	-
Total Assets	16,124,717,797	19,106,543,072	30,712,158,445	20,402,538,665	30,918,175,187	117,264,133,167
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	745,283,716	1,129,999,990	980,873,903	111,543,081	295,282,671	3,262,983,361
Deposits and other accounts	13,371,056,689	16,587,616,365	26,376,129,147	14,513,947,086	22,472,831,944	93,321,581,232
Provisions and other liabilities	44,023,344	336,930,650	1,701,502,135	1,120,693,941	6,351,109,145	9,554,259,215
Total Liabilities	14,160,363,749	18,054,547,005	29,058,505,185	15,746,184,108	29,119,223,760	106,138,823,808
Net liquidity surplus	1,964,354,048	1,051,996,067	1,653,653,260	4,656,354,557	1,798,951,427	11,125,309,359
Cumulative liquidity surplus	1,964,354,048	3,016,350,114	4,670,003,375	9,326,357,931	11,125,309,358	

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



 Director



 Director



 Director



 Managing Director & CEO





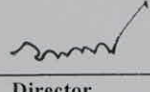

SBAC Bank PLC.
Balance Sheet
As at 31 December 2023

	Note	2023 Taka	2022 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3.1	986,768,332	987,490,568
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	4,240,008,595	4,305,691,078
		5,226,776,927	5,293,181,646
Balance with other banks and financial institutions			
In Bangladesh	5.1	2,471,272,225	2,612,225,831
Outside Bangladesh		480,862,223	278,571,754
		2,952,134,448	2,890,797,585
Money at call on short notice	6	-	-
Investments in shares & securities:			
Government	7.1	16,290,335,637	14,959,513,358
Others		1,979,822,848	1,993,824,684
		18,270,158,485	16,953,338,042
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8.1	85,543,225,936	76,210,473,378
Bills purchased and discounted		1,298,382,733	1,781,844,637
		86,841,608,669	77,992,318,015
Fixed assets including premises, furniture and fixtures	9.1	1,475,738,963	1,724,623,028
Other assets	10.1	2,755,249,387	1,772,643,590
Non-banking assets		-	-
TOTAL ASSETS		117,521,666,880	106,626,901,906
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.1	3,262,983,361	4,031,548,707
Deposits and other accounts			
Current / Al-wadeeah current deposits and other accounts	12.1	12,701,291,707	9,238,002,337
Special notice / mudaraba special notice deposits		5,970,630,318	4,382,625,127
Bills payable		5,011,369,023	3,197,410,868
Savings bank / mudaraba savings deposits		6,578,429,379	6,920,991,538
Fixed / mudaraba term deposits		48,736,337,676	46,074,316,715
Other deposits		14,733,176,576	14,786,087,582
		93,731,234,679	84,599,434,167
Subordinated bonds		-	-
Other liabilities	13.1	9,444,922,435	7,199,371,669
TOTAL LIABILITIES		106,439,140,475	95,830,354,543
Capital/ Shareholders' equity			
Paid up capital	14.3	8,241,916,500	8,160,313,370
Statutory reserve	15	2,486,942,756	2,204,928,598
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16	22,049,131	65,228,536
Foreign currency translation reserve	16.2	12,710,366	7,933,440
Surplus in profit and loss account	17.1	318,907,652	358,143,419
TOTAL SHAREHOLDERS' EQUITY		11,082,526,405	10,796,547,363
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		117,521,666,880	106,626,901,906



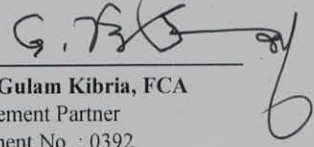
	Note	2023 Taka	2022 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	18		
Acceptance and endorsements		4,682,195,862	4,948,539,066
Letters of guarantee		14,011,516,153	10,830,648,085
Irrevocable letters of credit		6,146,781,395	4,290,338,894
Bills for collection		4,518,447,260	1,712,915,295
Other contingent liabilities		-	-
Total		29,358,940,670	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		29,358,940,670	21,782,441,340
Net asset value per share (NAV)	41.4	13.45	13.10

Accompanying notes form an integral part of these financial statements.

 Director
 Director
 Director
 Managing Director & CEO

Signed in terms of our report of even date.


Md. Shahadat Hossain, FCA
 Engagement Partner
 Enrolment No. : 0672
 MABS & J Partners
 Chartered Accountants


A. K. Gulam Kibria, FCA
 Engagement Partner
 Enrolment No. : 0392
 G. Kibria & Co.
 Chartered Accountants

DVC No. : 2404300672AS296377

DVC No. : 2404300392AS522128


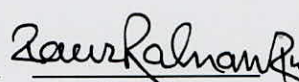


Dhaka, 30 April 2024




SBAC Bank PLC.
Profit and Loss Account
For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Interest income / profit on investment	21.1	6,892,330,558	5,883,296,742
Less: Interest / profit paid on deposits, borrowings etc.	22.1	5,266,344,903	4,627,650,279
Net interest income		1,625,985,655	1,255,646,463
Income from investment in shares / securities	23.1	1,710,628,705	1,689,149,588
Commission, exchange and brokerage	24.1	1,121,622,183	1,034,824,949
Other operating income	25.1	451,361,848	203,019,563
		3,283,612,736	2,926,994,100
Total operating income		4,909,598,391	4,182,640,563
Salary and allowances	26.1	1,791,985,540	1,570,379,086
Rent, taxes, insurance, electricity etc.	27.1	180,505,179	165,778,075
Legal and professional expenses	28.1	4,980,422	9,286,850
Postage, stamp, telecommunication etc.	29.1	7,223,831	15,034,133
Stationery, printing, advertisement etc.	30.1	56,192,852	43,110,139
Chief executive's salary and fees	31	13,240,000	11,785,897
Directors' fees	32.1	3,392,000	3,040,000
Auditors' fees	33.1	977,500	920,000
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34.1	394,846,635	380,782,831
Other expenses	35.1	257,708,295	227,976,077
Total operating expenses		2,711,052,254	2,428,093,088
Profit before provision		2,198,546,137	1,754,547,475
Provision for loans and advances / investments			
Specific provision	13.4	671,885,914	303,609,894
Special general provision - COVID-19	13.5	(9,727,475)	(102,389,406)
General provision (including off balance sheet items)	13.4 & 13.6	97,259,995	177,229,056
		759,418,434	378,449,544
Provision for rebate to good borrowers	13.7	-	(19,000,000)
Provision for diminution in value of investments in shares	13.11	21,456,913	87,030,884
Other provision		7,600,000	20,894,000
Total provision		788,475,347	467,374,428
Total Profit before taxes		1,410,070,790	1,287,173,047
Provision for taxation	36		
Current tax		934,064,714	725,789,419
Deferred tax		(60,605,508)	(717,076)
		873,459,206	725,072,343
Net profit after taxation		536,611,585	562,100,704
Appropriations			
Statutory reserve	15	282,014,158	257,434,609
General reserve		-	-
Startup fund	13.10	5,366,116	5,621,007
Retained surplus	17	249,231,311	299,045,088
		536,611,585	562,100,704
Earnings per share (EPS)	40.4	0.65	0.68

Accompanying notes form an integral part of these financial statements.

 Director
  Director
  Director
  Managing Director & CEO

Signed in terms of our report of even date.


Md. Shahadat Hossain, FCA
 Engagement Partner
 Enrolment No. : 0672
 MABS & J Partners
 Chartered Accountants


A. K. Gulam Kibria, FCA
 Engagement Partner
 Enrolment No. : 0392
 G. Kibria & Co.
 Chartered Accountants

DVC No. :



DVC No. : **2404300672AS296377**
Dhaka, 30 April 2024



2404300392AS522128

SBAC Bank PLC.
Cash Flow Statement
For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
A) Cash flows from operating activities			
Interest receipts in cash		6,902,687,994	6,043,139,705
Interest payments		(5,217,496,752)	(4,550,304,651)
Dividend receipts		67,291,535	72,304,226
Income from investments		1,341,737,048	1,567,741,352
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		202,239,065	115,441,831
Cash payments to employees		(1,808,617,540)	(1,585,204,983)
Cash payments to suppliers		(265,005,820)	(252,653,650)
Income taxes paid	10.2	(852,475,888)	(692,666,014)
Receipts from other operating activities		451,361,848	203,019,563
Payments for other operating activities		(257,708,295)	(227,976,077)
Operating cash flow before changes in operating assets and liabilities		564,013,195	692,841,302
Increase / decrease in operating assets and liabilities			
Sale / purchase of trading securities		1,628,488,145	1,692,745,576
Loans and advances to other banks		-	-
Loans and advances to customers		(8,179,820,554)	(11,520,125,463)
(Increase) / decrease of other assets	37	(129,451,049)	41,739,519
Deposits from other banks		(1,017,703,541)	2,600,148,611
Deposits from customers		10,084,754,667	8,857,347,657
Increase / (decrease) of other liabilities account of customers		-	-
Increase / (decrease) of trading liabilities		-	-
Increase / (decrease) of other liabilities	38	(110,367,098)	67,233,513
		2,275,900,570	1,739,089,413
Net cash flow from operating activities		2,839,913,765	2,431,930,715
B) Cash flows from investing activities			
Proceeds from sale of securities		89,857,263,665	85,475,632,225
Payments for Purchase of securities		(92,478,681,089)	(86,685,731,821)
Purchase of property, plant and equipment		(117,667,507)	(459,256,299)
Sale proceeds of property, plant and equipment		-	-
Net cash flow from investing activities		(2,739,084,931)	(1,669,355,895)
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(768,565,346)	(4,732,135,363)
Dividends paid		(261,491,388)	(236,940,985)
Receipts from issue of ordinary share		-	-
Net cash flow from financing activities		(1,030,056,734)	(4,969,076,348)
D) Net increase / (decrease) in cash (A+B+C)		(929,227,900)	(4,206,501,528)
E) Effects of exchange rate changes on cash and cash-equivalent		924,160,044	927,064,966
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)		8,178,911,375	8,183,979,231
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3.1	986,768,332	987,490,568
Balances with Bangladesh Bank and its agent bank(s) including	4.1	4,240,008,595	4,305,691,078
Balances with other Banks and Financial institutions	5.1	2,952,134,448	2,890,797,585
		8,178,911,375	8,183,979,231
Net operating cash flow per share (NOCFPS)	42.4	3.45	2.95

Accompanying notes form an integral part of these financial statements.



Director

Director

Director

Managing Director & CEO

SBAC Bank PLC.
Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	F.C. Translation Reserve Taka	Retained Earnings Taka	Total 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	-	-	-	-	536,611,585	536,611,585
Transfer to statutory reserve	-	282,014,158	-	-	(282,014,158)	-
Transfer to startup fund	-	-	-	-	(5,366,116)	(5,366,116)
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(43,179,405)	-	-	(43,179,405)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	4,776,926	-	4,776,926
Proposed dividend	81,603,130	-	-	-	-	81,603,130
Stock dividend issued	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	(288,467,078)	(288,467,078)
Balance as on 31 December 2023	8,241,916,500	2,486,942,756	22,049,131	12,710,366	318,907,652	11,082,526,405
Balance as on 31 December 2022	8,160,313,370	2,204,928,598	65,228,536	7,933,440	358,143,419	10,796,547,363

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


 Director


 Director


 Director


 Managing Director & CEO



SBAC Bank PLC.
Liquidity Statement (asset and liabilities maturity analysis)
As at 31 December 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)	986,768,332	-	-	-	-	986,768,332
Balance with Bangladesh Bank and its agent Banks	626,499,595	-	-	-	3,613,509,000	4,240,008,595
Balance with other banks & financial institutions	1,058,862,967	400,000,000	1,493,271,481	-	-	2,952,134,448
Money at call on short notice	-	-	-	-	-	-
Investments in shares & securities	497,058,012	989,911,424	505,486,403	1,406,416,773	14,871,285,873	18,270,158,485
Loans, advances and lease / investments	12,645,717,504	17,220,255,726	27,688,996,395	16,948,963,996	12,337,675,048	86,841,608,669
Fixed assets including premises, furniture and fixtures	28,285,643	56,571,287	254,570,789	1,023,095,978	113,215,266	1,475,738,963
Other assets	263,843,806	439,493,413	713,078,657	939,233,511	399,600,000	2,755,249,387
Non-Banking assets	-	-	-	-	-	-
Total Assets	16,107,035,859	19,106,231,850	30,655,403,726	20,317,710,258	31,335,285,187	117,521,666,880
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	745,283,716	1,129,999,990	980,873,903	111,543,081	295,282,671	3,262,983,361
Deposits and other accounts	13,371,056,689	16,589,074,698	26,784,324,261	14,513,947,086	22,472,831,944	93,731,234,679
Provisions and other liabilities	44,023,344	336,930,650	1,701,502,135	1,120,693,941	6,241,813,263	9,444,963,333
Total Liabilities	14,160,363,749	18,056,005,338	29,466,700,299	15,746,184,108	29,009,927,878	106,439,181,373
Net liquidity surplus	1,946,672,110	1,050,226,511	1,188,703,427	4,571,526,149	2,325,357,308	11,082,485,507
Cumulative liquidity surplus	1,946,672,110	2,996,898,622	4,185,602,049	8,757,128,198	11,082,485,506	

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


 Director


 Director


 Director


 Managing Director & CEO



SBAC Bank PLC.
Notes to the Financial Statements
as at and for the year ended 31 December 2023

1 General information

1.1 Status of the bank

SBAC Bank PLC. (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 six (86) branches; twenty four (24) 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. The Bank's name was amended to "SBAC Bank PLC." from South Bangla Agriculture and Commerce Bank Ltd under Bank Company's Act 1991 section 31 vide BRPD letter ref BRPD(LS-1)/745(68)/2024-985 dated 31 January, 2024.

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 2022.

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 31 December 2023, located at International Division, Head Office, SBAC Bank PLC., 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 27 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. The Financial Statements of the company for the year ended 31 December 2023 are shown in Annexure - J.



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 31 December 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 issued 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. 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 Honorable 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 1% against gross off-balance sheet exposures (which includes undrawn loan commitments). However, general provision is maintained against such guarantees complying with the BRPD Circular No. 06 Dated 25 April, 2023

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 31 December 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 31 December.

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 finance	20.00%	20.00%
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 form 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 accrued income	more than 6 months but less than 12 months	50%
	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 Act 2023. 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 honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2023.

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 @1% against off-balance sheet exposures (L/Cs and Guarantees etc) in addition to the existing provisioning arrangement is made as per BRPD Circular No. 14 dated 23rd September, 2012 and BRPD Circular No. 07 dated 21 June 2018.

2.29 Provision for current taxation

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 purposes.

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 Bank 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 Risk management

2.32.1 Internal Control and Compliance Management

Operational loss may arise from error and fraud due to weakness of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodic and special audit of the branches and departments at Head Office for review of the operation and compliance with statutory requirements. The Audit Committee of the Board reviews the reports of the Internal Control and Compliance Division.

2.32.2 Foreign Exchange Risk Management

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the Back Office of treasury is responsible for verification of the deals and recording of their entries in the books of account. All foreign exchange transactions are revalued at Mark to Market rate at the month end. All Nostro accounts are reconciled on monthly basis and outstanding entries are reviewed on regular basis.

2.32.3 Credit Risk Management

Credit Risk is defined as potential loss arising from the failure of a counter-party to meet financial obligations as per contractual agreement with the Bank. Bank manages credit risk meticulously. The Bank extends credit facilities to different clients in different sectors after ensuring due diligence and mitigating risk factors as per guidelines set by Bangladesh Bank, the Board of Directors and Management Credit Committee of the Bank.



The Bank has segregated duties of the executives/officers involved in credit related activities. A separate marketing division is there at Head Office entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed namely Credit Risk Management Division, Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risks involved in lending, sanctioning credit and formulating policies/strategies for lending operation. Credit Risk Grading (CRG) is also made for individual borrowers.

2.32.4 Asset Liability Management

The Asset Liability Committee (ALCO) of the Bank monitors market risks and liquidity risks of the Bank. The market risks emanate from potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews liquidity requirements of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategies and the liquidity contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NII), return on assets, investment value and exchange earnings. The ALCO also monitors the Capital Adequacy Ratio on monthly/quarterly basis.

2.32.5 Money Laundering Risk Management

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer at Head Office and Branch Anti Money Laundering Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been compiled and transaction profile has been introduced. Training has been continuously imparted to all categories of officers and executives for developing awareness and skills for identifying suspicious activities.

2.32.6 Information and Communication Technology Security Risk Management

Transformation of business processes in response to technology-driven customers' needs and services has brought in tremendous change in information technology platform in the bank. The bank has adopted measures to protect the information and communication platform from unauthorized access, modification, virus, disclosure and destruction in order to ensure business continuity, data safety and security thereby protecting customers' interest at large.

2.32.7 Internal Audit Management

Internal audit is an independent, objective assurance and consulting activity designed to add value and to detect human errors and non-compliance with Internal Control Procedures. The bank has formed an Internal Audit Department under Internal Control & Compliance Division which are conducting internal audit on a regular basis of every branch and division at Head Office and report the findings to the Audit Committee of the Board of Directors. The Audit Department takes necessary steps to regularize the irregularities detected at the time of audit.

2.32.8 Fraud and Forgeries Management

The Internal Control and Compliance Division takes initiatives for preparing guidelines / instructions on a regular basis to prevent and detect frauds & forgeries. The ICCD communicate the guidelines / instructions to the branches and divisions at Head Office on a regular basis. The division is constantly monitoring and supervising for compliance with the guidelines / instructions so that the occurrence of fraud & forgeries comes to nil.

2.32.9 Operational Risk

Operational risk can be defined as the possibilities of losses resulting from inadequacy or failed internal processes, systems and people or from external events.

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. It exists in some form in every Bank business and function. Operational risk can not only result in financial loss, but also regulatory sanctions and damage to the Bank's reputation. South Bangla Agriculture and Commerce Bank Limited is successful at managing operational risk with a view to safeguarding client assets and preserving shareholder value.



SBAC Bank PLC manages operational risks in the following manner:

- I. Risks are identified with reference to the relevant policy manuals, processes, and practices;
- II. Departmental Control Function Check List (DCFCL) is in place for evaluation of control;
- III. Review of safety and control measures of premises and equipments;
- IV. Management of technological and information security risks; and
- V. Ensuring the Bank's business continuity while facing unforeseen crisis under a business continuity and disaster management plan.

2.32.10 Legal risk

In SBAC Bank PLC legal risks are covered by recognizing potential losses from litigation or possible litigation at an early stage and by formulating solutions for reducing, restricting and avoiding such risks and creating adequate provision there- against.

2.32.11 Business risk

Business risk covers the risk of losses arising from lower non-interest income and higher expenses from the budgeted amount. The business risk is resulted from the market condition, greater customer expectation and / or technological development that may be significantly different from the assumptions made at the time of planning.

Business risk in South Bangla Agriculture and Commerce Bank Limited is managed by setting clear targets for specific business units, in terms of business volume, income, cost, cost-income ratio, quality of assets etc. with an ongoing process of continuous improvement.

2.32.12 Reputational Risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public in South Bangla Agriculture and Commerce Bank Limited.

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from a deficiency in managing other risks. All risk must therefore be managed effectively in order to uphold the Bank's reputation. The management ensures that SBAC Bank PLC is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. SBAC Bank PLC takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

2.32.13 Liquidity risk

Liquidity risk is the risk that we may not meet our financial obligation as they become due. Liquidity risks also include our inability to liquidate any asset at reasonable price in a timely manner. It is the policy of the Bank to maintain adequate liquidity at all times in both local and foreign currencies. Liquidity risks are managed on a short, medium and long-term basis. There are approved limits for credit/ deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market to ensure that loans and investments are funded by stable sources, maturity mismatches are within limits and that cash inflow from maturities of assets, customer deposits in a given period exceeds cash outflow by a comfortable margin even under a stressed liquidity scenario.

2.32.14 Interest rate risk

Interest rate risk is the potential impact on the Bank's earnings and net asset value due to changes in market interest rates. Interest rate risk is the result of mismatches of interest rate re-pricing of financial assets and liabilities. SBAC Bank PLC uses the following tools for measuring the interest rate risk:

Gap analysis

Under this system, a gap i.e. the difference between the amount of financial assets and the amount of liabilities is calculated at a pre- determined time bucket. The interest rate factor is then applied on the assessed financial value of Gap for measuring the earning impact due to movement of interest rate.



Duration analysis

Duration is the time-weighted average maturity of the present value of the cash flows from on balance sheet assets and liabilities. It measures the relative sensitivity of the value of these instruments to changing interest rates and therefore reflects on the economic value i.e. the present value of shareholders' equity of the Bank.

2.33 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 31 December 2023. This represent 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.

2.34 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.

2.35 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 center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

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 implementing 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 transaction 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.

2.36 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.

2.37 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 2023.

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

2.38 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.

2.39 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.

(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.

2.40 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. Business segment report shown in Annexure-E.

Inter segment transactions, generally based on inter branch fund transfer measurements as determined by the management. Income, expenses, assets liabilities are specifically identified with individual segments. Based on such allocation segment balance sheet as at 31 December 2023 and segment profit and loss account for the year ended 31 December 2023 have been prepared.

2.41 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 within the time stipulated in the prospectus.

2.42 Approval of the Financial Statements

The Board of Directors of the Bank, in its 163rd meeting held on 26 April 2023, approved the financial statements of the Bank for the year ended 31 December 2022 and signed these statements on same date.



	2023 Taka	2022 Taka
3. Cash in hand (including foreign currencies) - Consolidated		
SBAC Bank PLC. (note 3.1)	986,768,332	987,490,568
SBAC Bank Investment Limited	16,326	13,594
	<u>986,784,658</u>	<u>987,504,162</u>
3.1 Cash in hand (including foreign currencies) of the Bank		
Local currency	978,940,764	980,174,738
Foreign currencies	7,827,568	7,315,830
	<u>986,768,332</u>	<u>987,490,568</u>
4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated		
SBAC Bank PLC. (note 4.1)	4,240,008,595	4,305,691,078
SBAC Bank Investment Limited	-	-
	<u>4,240,008,595</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	3,653,881,902	3,655,236,495
In foreign currencies	586,126,693	650,454,583
	<u>4,240,008,595</u>	<u>4,305,691,078</u>
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<u>4,240,008,595</u>	<u>4,305,691,078</u>
4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Company Act, 1991 (amended up to 2018) and of instructions contained in DOS Circular No. 01 dated 19 January, 2014 and MPD Circular No. 03 dated 09 April, 2020 for conventional and islamic banking and BRPD Circular No. 31 dated 18 June 2020 for off-shore banking unit.		
The Cash Reserve Requirement, calculated at the rate of 3.50% for conventional and islamic banking and 1.50% for off-shore banking unit on daily basis and 4.00% for conventional and islamic banking and 2.00% for off-shore banking unit on bi-weekly basis, based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), has been maintained with Bangladesh Bank in current account. The Statutory Liquidity Ratio, calculated at the rate of 13% for conventional banking and off-shore banking unit and 5.50% for islamic banking based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), have been maintained in the form of unencumbered treasury bills and bonds, cash in hand and daily excess of Cash Reserve.		
4.2.1 Total average demand and time liabilities		
Total average demand and time liabilities of October		
Conventional banking	89,899,978,000	84,249,796,000
Islamic banking	437,751,000	282,815,000
Off-shore banking unit	-	-
	<u>90,337,729,000</u>	<u>84,532,611,000</u>
4.2.2 Cash Reserve Requirement (CRR) and maintained		
Required reserve		
Conventional banking	3,595,999,000	3,369,992,000
Islamic banking	17,510,000	11,313,000
Off-shore banking unit	-	-
Total required reserve	<u>3,613,509,000</u>	<u>3,381,305,000</u>
Actual reserve maintained		
Balance with Bangladesh Bank - local currency :		
For conventional banking and OBU	3,726,311,469	3,604,277,020
For islamic banking	25,000,000	20,000,000
	<u>3,751,311,469</u>	<u>3,624,277,020</u>
Surplus / (deficit) (conventional banking and OBU)	<u>130,312,469</u>	<u>234,285,020</u>
Surplus / (deficit) (islamic banking)	<u>7,490,000</u>	<u>8,687,000</u>
Maintained ratio (conventional banking and OBU)	<u>4.14%</u>	<u>4.28%</u>
Maintained ratio (islamic banking)	<u>5.71%</u>	<u>7.07%</u>

The above balance with Bangladesh Bank represents amount as per Bangladesh Bank Statements. The difference between balance with Bangladesh Bank as per Bank Book and as per Bangladesh Bank Statements are due to reconciling items those are not material and most of the items are subsequently adjusted.



	2023 Taka	2022 Taka
4.2.3 Statutory Liquidity Ratio (SLR) requirement and maintained (conventional banking and off-shore banking unit)		
Required reserve		
Conventional banking	11,686,997,075	10,952,473,000
Off-shore banking unit	-	-
Total required reserve	<u>11,686,997,075</u>	<u>10,952,473,000</u>
Available for maintenance :		
Cash in hand (including foreign currencies)	982,191,706	890,397,360
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	130,312,469	234,285,020
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	16,258,233,337	13,879,784,042
	<u>17,370,737,512</u>	<u>15,004,466,422</u>
Surplus / (deficit)	<u>5,683,740,437</u>	<u>4,051,993,422</u>
Maintained Ratio	<u>19.32%</u>	<u>17.81%</u>

4.2.4 Statutory Liquidity Ratio (SLR) requirement and maintained (islamic banking)

Required reserve	24,076,000	15,555,000
Available for maintenance :		
Cash in hand (including foreign currencies)	4,576,626	3,926,208
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	7,490,000	8,687,000
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	30,000,000	30,000,000
	<u>42,066,626</u>	<u>42,613,208</u>
Surplus / (deficit)	<u>17,990,626</u>	<u>27,058,208</u>
Maintained Ratio	<u>9.61%</u>	<u>15.07%</u>



	2023 Taka	2022 Taka
5. Balance with other banks and financial institutions - Consolidated		
In Bangladesh		
SBAC Bank PLC. (note 5.1)	2,471,272,225	2,612,225,831
SBAC Bank Investment Limited	78,695,106	24,374,001
	<u>2,549,967,331</u>	<u>2,636,599,832</u>
Less : Inter company transactions	58,245,114	12,431,157
	<u>2,491,722,217</u>	<u>2,624,168,675</u>
Outside Bangladesh		
SBAC Bank PLC. (note 5.1)	480,862,223	278,571,754
SBAC Bank Investment Limited	-	-
	<u>480,862,223</u>	<u>278,571,754</u>
	<u>2,972,584,440</u>	<u>2,902,740,429</u>
5.1 Balance with other banks and financial institutions of the Bank		
In Bangladesh		
Main Operation (note 5.2)	2,604,736,456	2,825,250,163
Off-shore Banking Unit	78,557,733	54,987,907
Less: Inter bank transactions between on-shore banking unit and OBU	(212,021,964)	(268,012,239)
	<u>2,471,272,225</u>	<u>2,612,225,831</u>
Outside Bangladesh		
Main Operation (note 5.2)	480,862,223	278,571,754
	<u>2,952,134,448</u>	<u>2,890,797,585</u>
5.2 Balance with other banks and financial institutions - on-shore banking unit		
In Bangladesh (note 5.3)	2,604,736,456	2,825,250,163
Outside Bangladesh (note 5.4)	480,862,223	278,571,754
	<u>3,085,598,679</u>	<u>3,103,821,917</u>
5.3 In Bangladesh		
Balance with other banks :		
In current deposit accounts with		
Sonali Bank Limited	86,817,940	72,926,045
Dutch Bangla Bank Limited	-	1,027
Eastern Bank Limited	-	13,900,701
	<u>86,817,940</u>	<u>86,827,773</u>
In special notice deposit accounts with		
Janata Bank Limited	27,485,502	148,019,161
Eastern Bank Limited	37,927,405	11,257,764
Sonali Bank Limited	11,952	-
Mercantile Bank Limited	406,754	406,754
Bank Asia Limited	26	26
Standard Bank Limited	89,917	89,323
Jamuna Bank Limited	16,840	16,840
Al-Arafa Islami Bank Limited	12,208	13,539
Trust Bank Limited	20,103,115	38,281,426
Union Bank Limited	3,686	4,844
IFIC Bank Limited	16,599	17,667
Rupali Bank Limited	5,108,800	434,215
	<u>91,182,804</u>	<u>198,541,559</u>
In fixed deposit accounts with		
CITIZEN Bank PLC	400,000,000	-
NCC Bank Ltd.	-	500,000,000
	<u>400,000,000</u>	<u>500,000,000</u>
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	16,600,000	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
	<u>1,816,400,000</u>	<u>1,825,800,000</u>
Placement of fund with SBAC Bank Off-shore Banking Unit	210,335,712	214,080,831
	<u>2,604,736,456</u>	<u>2,825,250,163</u>

As per BRPD Circular Letter no. BRPD(P-1)/661/13/2024-97 dated 03 January 2024, banks are exempted from keeping further provision against the balance with financial institutions.



5.4 Outside Bangladesh

In demand deposit accounts (non-interest bearing) with

Particulars	Currency	2023			2022		
		Amount in foreign currency	Exchange rate for per unit foreign	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Habib American Bank, NY	USD	1,561,909	110.00	171,810,018	210,587	103.30	21,752,992
Koomin Bank, Seoul	USD	92,781	110.00	10,205,896	55,240	103.30	5,706,109
Mashreq Bank PSC, New York	USD	98,135	110.00	10,794,853	611,133	103.30	63,128,233
Sonali Bank (UK) Ltd.	USD	86,921	110.00	9,561,308	43,233	103.30	4,465,851
AB Bank, Mumbai	ACU	774,338	110.00	85,177,163	395,064	103.30	40,808,919
AXIS Bank Ltd., Mumbai	ACU	281,064	110.00	30,917,062	569,300	103.30	58,807,023
Habib Metropolitan Bank Ltd., Karachi	ACU	7,824	110.00	860,594	7,924	103.30	818,482
Sonali Bank Ltd. Kolkata	ACU	478,335	110.00	52,616,823	276,462	103.30	28,557,657
United Bank of India, Kolkata	ACU	190,129	110.00	20,914,175	34,717	103.30	3,586,144
Yes Bank Ltd.	ACU	37,360	110.00	4,109,611	32,970	103.30	3,405,702
Sonali Bank (UK) Ltd.	GBP	41,158	140.73	5,792,393	6,597	124.27	819,841
Sonali Bank (UK) Ltd.	EURO	24,872	122.13	3,037,743	33,922	109.71	3,721,680
Aktif Yatirim Bankasi A.S.	EURO	216,515	122.13	26,443,627	8,775	109.71	962,758
Banca UBAE SPA	EURO	302,615	122.13	36,959,227	370,478	109.71	40,645,726
Bank of HUZHO Co	CNY	646,970	15.48	10,017,227			
National Bank of Pakistan, Tokyo	JPY	2,120,571	0.78	1,644,503	1,793,571	0.7720	1,384,637

	480,862,223	278,571,754
In demand deposit accounts (interest bearing)	-	-
Total Outside Bangladesh	480,862,223	278,571,754

	2023 Taka	2022 Taka
5.5 Maturity grouping of balance with other banks and financial institutions of the Bank		
On demand	567,680,163	567,499,527
Within one month	491,182,804	798,541,559
Within one to three months	400,000,000	330,000,000
Within three to twelve months	1,493,271,481	1,194,756,499
Within one to five years	-	-
More than five years	-	-
	2,952,134,448	2,890,797,585

6. Money at call on short notice
 With banks
 With non bank financial institutions

-
-
-



	2023 Taka	2022 Taka
7. Investments in shares & securities - Consolidated		
Government :		
SBAC Bank PLC.	16,290,335,637	14,959,513,358
SBAC Bank Investment Limited	-	-
	16,290,335,637	14,959,513,358
Other :		
SBAC Bank PLC.	1,979,822,848	1,993,824,684
SBAC Bank Investment Limited	237,482,948	173,225,517
	2,217,305,796	2,167,050,201
	18,507,641,433	17,126,563,559
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	54,039,059	912,414,357
10-Year treasury bonds	1,523,446,734	2,550,177,567
15-Year treasury bonds	8,069,073,293	5,556,038,878
20-Year treasury bonds	6,367,344,251	5,664,821,056
Ijarah Sukuk	274,330,000	274,330,000
	16,288,233,337	14,957,781,858
Total treasury bills and bonds	16,288,233,337	14,957,781,858
Prize bonds	2,102,300	1,731,500
Total Government securities	16,290,335,637	14,959,513,358
Other investments (note 7.4)	1,979,822,848	1,993,824,684
	18,270,158,485	16,953,338,042
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)	11,654,168	1,984,807,326
Held to Maturity (HTM)	16,002,249,169	11,281,271,058
Re-measured	-	1,417,373,474
Ijarah Sukuk	274,330,000	274,330,000
Total treasury bills and bonds	16,288,233,337	14,957,781,858
Prize bonds	2,102,300	1,731,500
Total Government securities	16,290,335,637	14,959,513,358
Other investments (note 7.4)	1,979,822,848	1,993,824,684
	18,270,158,485	16,953,338,042
7.3 Maturity grouping of investments in shares & securities of the Bank		
On demand	2,102,300	1,731,500
Within one month	494,955,712	498,456,171
Within one to three months	989,911,424	996,912,342
Within three to twelve months	505,486,403	508,986,862
Within one to five years	1,406,416,773	1,406,416,773
More than five years	14,871,285,873	13,540,834,394
	18,270,158,485	16,953,338,042
7.4 Other investments (Annexure - C)		
In quoted shares	1,414,546,647	1,388,548,318
In quoted mutual funds	101,694,830	101,694,995
In unquoted shares	3,581,371	3,581,371
In preference shares	460,000,000	500,000,000
	1,979,822,848	1,993,824,684



7.5 Disclosure for REPO and Reverse REPO transactions

In terms of the instructions contained in DOS Circular No. 6 dated 15 July 2010, the disclosure requirements for REPO and Reverse REPO transactions of the Bank are furnished below :

7.5.1 Disclosure regarding outstanding REPO as on 31 December 2023

Sl. No.	Name of the counterparty	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	Bangladesh Bank	24 December 2023	23 March 2024	750,000,000
2	Bangladesh Bank	24 December 2023	01 January 2024	1,096,687,480
3	Bangladesh Bank	26 December 2023	02 January 2024	2,008,956,615
4	Bangladesh Bank	27 December 2023	03 January 2024	698,542,808
5	Bangladesh Bank	28 December 2023	04 January 2024	2,557,049,691

7.5.2 Disclosure regarding outstanding Reverse REPO as on 31 December 2023

Sl. No.	Name of the counterparty	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
-	-	-	-	-

7.5.3 Disclosure regarding overall transactions of REPO and Reverse REPO for the year ended 31 December 2023

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
	Taka	Taka	Taka
Securities sold under repo :			
i) with Bangladesh Bank	317,771,286	3,126,740,509	340,568,645
ii) with other banks & FIs	175,571,986	5,043,803,142	628,339,071
Securities purchased under reverse repo			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	200,005,339	1,106,609,058	29,732,024



	2023 Taka	2022 Taka
8. Loans, advances and lease /investments - Consolidated		
Loans , cash credit, overdrafts etc. / investments :		
SBAC Bank PLC. (note 8.1)	85,543,225,936	76,210,473,378
SBAC Bank Investment Limited	366,451,452	343,620,002
	85,909,677,388	76,554,093,380
Less : Inter-company transaction	563,865,318	508,679,030
	85,345,812,070	76,045,414,350
Bills purchased and discounted :		
SBAC Bank PLC. (note 8.1)	1,298,382,733	1,781,844,637
SBAC Bank Investment Limited	-	-
	1,298,382,733	1,781,844,637
	86,644,194,803	77,827,258,987
8.1 Loans, advances, lease and investments of the Bank		
Loans , cash credit, overdrafts etc. / investments (note 8.2) :		
On-shore banking unit	85,322,817,536	75,989,719,025
Off-shore banking unit	220,408,400	220,754,353
	85,543,225,936	76,210,473,378
Bills purchased and discounted (note 8.3) :		
On-shore banking unit	1,298,382,733	1,781,844,637
Off-shore banking unit	-	-
	1,298,382,733	1,781,844,637
	86,841,608,669	77,992,318,015
8.2 Loans , cash credit, overdrafts etc. / investments of the Bank		
In Bangladesh:		
Overdrafts / bai murabaha	24,602,963,320	21,280,851,367
Cash credit / bai murabaha :		
General cash credit / bai murabaha	5,471,553,793	5,411,595,647
Agriculture cash credit / bai murabaha	125,708,865	220,468,407
SME cash credit	8,872,071,634	9,090,869,778
General cash credit under stimulus finance	109,924,237	115,148,570
SME cash credit / bai murabaha under stimulus finance	27,113,113	106,877,819
	14,606,371,642	14,944,960,221
Loans, lease and investments :		
Loans against trust receipt / murabaha post import	2,015,405,514	1,114,598,227
Export packing credit	217,908,427	134,521,005
Payment against document	565,290,912	276,345,060
Time loans	4,242,944,431	4,263,994,759
EDF loans	777,245,804	2,183,323,819
Demand loans / murabaha	5,787,270,400	2,934,018,818
Lease finance	725,597,160	653,322,670
House building finance / HPSM real estate	1,363,716,940	1,118,007,079
General term loans	22,335,915,891	20,147,847,937
SME term loans	5,073,638,765	4,628,549,783
Agriculture term loans	820,270,533	605,893,912
Short term micro credit	986,950,687	811,468,030
Personal loans	80,351,969	81,030,555
Auto loans / HPSM vehicles	74,023,649	73,762,792
Credit Card	358,371,596	307,387,987
Block account for rescheduled loan	272,053,135	81,944,375
Staff loans / HPSM	636,935,161	568,644,982
	46,333,890,974	39,984,661,790
	85,543,225,936	76,210,473,378
Outside Bangladesh	-	-
	85,543,225,936	76,210,473,378
8.3 Bills purchased and discounted of the Bank		
Inside Bangladesh		
Inland bills purchased and discounted	1,165,843,434	1,732,956,132
Outside Bangladesh		
Foreign bills purchased and discounted	132,539,299	48,888,505
	1,298,382,733	1,781,844,637



	2023 Taka	2022 Taka
8.4 Maturity grouping of loans, advances and lease / investments including bills purchased and discounted		
On demand	6,239,633,257	5,603,805,235
Within one month	6,406,084,247	5,753,294,619
Within one to three months	17,220,255,726	15,465,485,744
Within three to twelve months	27,688,996,395	24,867,445,980
Within one to five years	16,948,963,996	15,221,839,050
More than five years	12,337,675,048	11,080,447,387
	86,841,608,669	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	46,333,890,974	39,984,661,790
Cash credit	14,606,371,642	14,944,960,221
Overdraft	24,602,963,320	21,280,851,367
	85,543,225,936	76,210,473,378

Outside Bangladesh

	-	-
	85,543,225,936	76,210,473,378

(b) Bills purchased and discounted (note 8.3)

In Bangladesh	1,165,843,434	1,732,956,132
Outside Bangladesh	132,539,299	48,888,505
	1,298,382,733	1,781,844,637
	86,841,608,669	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	167,616,922	150,531,587
ii. Loans, advances and lease / investments to CEO and other senior executives	443,277,658	398,093,990
iii. Loans, advances and lease / investment to staffs other than in sl. no. ii	189,908,530	170,550,992
iv. Loans, advances and lease / investments to customers' group	86,040,805,559	77,273,141,446
	86,841,608,669	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 solo basis was Taka 11,126,531,896 as at 31 December 2022 and Taka 10,834,467,349 as at 31 December 2021.

(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	18,292,932,942	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	53,749,366,436	48,272,225,082
Chattogram Division	8,613,840,080	7,736,076,808
Khulna Division	5,765,445,678	5,177,938,084
Rajshahi Division	2,424,344,451	2,177,300,101
Barishal Division	1,283,898,903	1,153,067,672
Sylhet Division	442,482,544	397,392,906
Rangpur Division	1,804,590,091	1,620,699,644
Mymensingh	198,064,577	177,881,498
	74,282,032,760	66,712,581,795



	2023 Taka	2022 Taka
Rural		
Dhaka Division	4,737,813,205	4,255,022,907
Chattogram Division	3,054,125,731	2,742,905,721
Khulna Division	3,634,916,495	3,264,513,032
Rajshahi Division	114,752,566	103,059,106
Barishal Division	578,218,978	519,297,593
Sylhet Division	323,958,315	290,946,475
Rangpur Division	115,790,619	103,991,386
	12,559,575,909	11,279,736,220
	86,841,608,669	77,992,318,015

8.8 Industry-wise loans, advances and lease / investments including bills purchased and discounted

Agriculture, fisheries and forestry	3,067,311,325	2,666,821,867
Agro base processing industries	6,907,810,292	6,001,587,338
Small & medium enterprise financing (SMEF)	30,654,675,320	28,371,555,881
RMG & textile industries	9,604,296,771	8,211,600,726
Hospitals, clinics & medical colleges	613,767,092	648,968,310
Trade & commerce	7,316,400,647	6,166,429,149
Transport and communications	579,693,185	566,058,218
Rubber & plastic industries	1,731,535,825	1,730,206,008
Iron, steel & aluminium industries	4,145,810,527	3,468,343,081
Printing & Packaging industries	254,319,257	191,577,128
Other manufacturing industries	7,960,024,188	7,165,073,470
Housing & construction industries	1,201,409,204	983,401,075
Consumer credit	1,151,670,174	1,030,987,576
Others	11,652,884,862	10,789,708,188
	86,841,608,669	77,992,318,015

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	86,841,608,669	77,992,318,015
	86,841,608,669	77,992,318,015

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

Particulars	Amount of outstanding loans and advances as at 31 December 2023	Base for Provision	Rate	Amount of required provision as at 31 December 2023	Amount of required provision as at 31 December 2022
I) General provision :					
a) Consumer finance	471,358,613	471,358,613	2.00%	9,427,172	8,723,362
b) Staff loans	636,935,160	636,935,160	0.00%	-	-
c) Housing finance	1,356,585,640	1,356,585,640	1.00%	13,565,856	11,455,666
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	28,088,185,662	28,088,185,662	0.25%	70,220,464	66,425,783
f) Loans to BH, MB, SD, etc.	1,323,654,869	1,323,654,869	1.00%	13,236,549	33,275,918
g) Agricultural and micro credit	3,066,661,441	3,066,661,441	1.00%	30,666,614	26,668,219
h) Others	46,748,661,317	43,608,252,913	1.00%	436,082,529	382,478,358
i) Special general provision- COVID-19	-	-	1%, 1.5% & 2%	75,066,248	84,793,723
	81,692,042,702	78,551,634,298		648,265,433	613,821,029
II) Specific provision :					
a) Unclassified		1,179,765,989	100.00%	1,179,765,989	1,098,625,909
b) Unclassified		136,588,862	100.00%	136,588,862	-
b) Sub-standard (CMS)	68,082,774	19,968,814	5.00%	998,441	264,038.35
c) Sub-standard (other)	110,105,329	52,016,627	20.00%	10,403,325	12,939,248
d) Doubtful (CMS)	357,359,041	72,361,650	20.00%	14,472,330	24,710,600
e) Doubtful (other)	12,998,188	142,917,762	50.00%	71,458,881	59,323,890
f) Bad / loss	4,601,020,635	1,758,065,742	100.00%	1,758,065,742	1,303,909,089
	5,149,565,968	3,361,685,445		3,171,753,570	2,499,772,775
Total provision required	86,841,608,669	81,913,319,743		3,820,019,003	3,113,593,804
Total provision maintained				3,464,377,692	2,743,593,804
Provision to be maintained*				355,641,311	370,000,000
Surplus / (deficit)				-	-



2023 **2022**
Taka **Taka**

* As per Bangladesh Bank letter reference no. DBI-3/132/2024-640 dated 29 April 2024 and external auditors, the Bank's total provision requirement against loans and advances is Tk 381.99 crore. The Department of Off-site Supervision of Bangladesh Bank through letter reference no. DOS (CAMS)1157/41(dividend)/2024-1836 dated 30 April 2024, approved deferral against the deficit provision upto the finalization of financial statements for the year ended 31 December 2023 which is fully adjusted on December 2023 and we seek further deferral amounting Tk. 35.56 crore for the 2024

8.11 Classification of loans, advances and lease / investments including bills purchased and discounted

Unclassified loans and advances

Main Operation

- i) Standard
ii) Special mention account (SMA)

80,715,187,671	72,581,570,838
756,446,646	1,158,772,857
81,471,634,317	73,740,343,695

Off-shore Banking Unit

- i) Standard
ii) Special mention account (SMA)

220,408,384	220,754,353
-	-
220,408,384	220,754,353
81,692,042,701	73,961,098,048

Classified loans and advances

Main Operation

- Sub-standard
Doubtful
Bad / loss

178,188,103	128,031,446
370,357,229	526,978,256
4,601,020,635	3,376,210,265
5,149,565,968	4,031,219,967

Off-shore Banking Unit

- Sub-standard
Doubtful
Bad / loss

-	-
-	-
-	-

5,149,565,968	4,031,219,967
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Total

86,841,608,669	77,992,318,015
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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	81,394,154,745	72,913,973,544
ii) Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	915,650,257	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	4,531,803,667	4,073,531,369
iv) Loans adversely classified; provision not maintained there against	-	-
	86,841,608,669	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	800,803,110	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	167,616,922	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	800,803,110	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	167,616,922	150,531,587
ix) Due from other banking companies	-	-
x) Classified loans and advances :		
(a) Amount of classified loan on which interest/profit not credited to income	5,149,565,968	4,031,219,967



	2023 Taka	2022 Taka
(b) (Decrease)/increase in specific provision during the year	671,885,914	303,609,894
(c) Amount of loan written off during the year	-	-
(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	1,758,065,742	1,303,909,089
(f) Amount of interest credited to the interest suspense accounts	2,178,771,361	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	1,165,843,434	1,732,956,132
Outside Bangladesh	132,539,299	48,888,505
	1,298,382,733	1,781,844,637

8.14 Bills purchased and discounted on the basis of the residual maturity grouping

Within one month	523,086,589	717,861,544
Within one to three months	344,986,118	473,444,115
Within three to six months	191,289,380	262,517,321
More than six months	239,020,646	328,021,657
	1,298,382,733	1,781,844,637

8.15 Disclosure of Document Verification System (DVS)

As per Financial Reporting Council (FRC) letter no. 178/FRC/APR/2021/27(16) dated 07 December 2021 regarding compliance of BRPD Circular Letter No. 04 and 05 dated 04 January 2021 and 06 July 2021 respectively.

Particulars	Compliance of BRPD Circular Letter No. 04*		Compliance of BRPD Circular Letter No. 35**	
	Number	%	Number	%
Complied Files	193	82%	162	84%
Total Files	236	100%	193	100%

* BRPD Circular Letter No. 04 : Regarding collection of Audited Financial Statements & Statutory Audit Report for Loan Sanction / Renewal.

** BRPD Circular Letter No. 35 : Regarding Audited Financial Statements verified with Document Verification System (DVS) of The Institute of Chartered Accountants of Bangladesh (ICAB).

The Bank has obtained the master access on the Document Verification System (DVS) of The Institute of Chartered Accountants of Bangladesh (ICAB) on 21 September 2022 and started implementing the compliance.



	2023 Taka	2022 Taka
9. Fixed Assets including premises, furniture and fixtures - Consolidated		
SBAC Bank PLC. (note 9.1)	1,475,738,963	1,724,623,028
SBAC Bank Investment Limited	18,673,346	18,643,945
	<u>1,494,412,309</u>	<u>1,743,266,973</u>
9.1 Fixed Assets including premises, furniture and fixtures of the Bank (Annexure - B)		
Motor vehicles	74,793,653	70,788,653
Machinery and equipments	364,138,826	341,998,488
Furniture and fixtures	124,973,921	111,216,490
Interior decoration	386,042,302	370,375,116
Computers and accessories	452,956,982	441,543,120
Softwares	212,921,796	212,787,651
Other tools	59,448,958	53,125,614
Right of use assets (Lease assets)	1,719,000,755	1,674,774,555
	<u>3,394,277,193</u>	<u>3,276,609,687</u>
Less : Accumulated depreciation	1,918,538,230	1,551,986,659
Net book value	<u>1,475,738,963</u>	<u>1,724,623,028</u>
10. Other Assets - Consolidated		
Income generating other assets		
SBAC Bank PLC.	399,600,000	399,600,000
SBAC Bank Investment Limited	349,950,000	375,849,715
	<u>749,550,000</u>	<u>775,449,715</u>
Non-income generating other assets		
SBAC Bank PLC.	2,355,649,387	1,373,043,590
SBAC Bank Investment Limited	79,902,894	44,035,912
	<u>2,435,552,281</u>	<u>1,417,079,502</u>
	<u>3,185,102,281</u>	<u>2,192,529,217</u>
Less : Inter-company transaction	766,595,354	778,490,549
Total other assets	<u>2,418,506,928</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)	1,704,913,349	852,437,461
Stock of stationeries and stamps (note 10.3)	18,877,997	18,370,244
Advance rent, advertisement, etc. (note 10.4)	17,791,377	17,518,275
Accrued interest, commission and dividend receivable	285,090,492	324,123,140
Advance and security deposits	4,370,655	4,190,355
Protested bills	28,494,000	20,894,000
Central clearing, EFT, NPSB adjustment account	1,411	1,411
Deferred tax asset (note 10.5)	83,080,467	22,474,959
Suspense accounts (note 10.6)	213,029,639	113,033,745
	<u>2,755,249,387</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	111,902,055	98,369,414
Advance income tax paid	740,573,833	594,296,600
	<u>852,475,888</u>	<u>692,666,014</u>
	1,704,913,349	1,247,255,512
Less : Adjustment during the year		394,818,051
Closing balance	<u>1,704,913,349</u>	<u>852,437,461</u>
10.2.1 Assessment year wise break up of advance income tax		
2022 - 2023	584,303,857	584,303,857
2023 - 2024	565,981,567	268,133,604
2024 - 2025	554,627,925	-
	<u>1,704,913,349</u>	<u>852,437,461</u>
10.3 Stock of stationeries and stamps		
Stock of printing stationeries	2,080,647	4,847,643
Stock of security stationeries	13,089,999	10,490,344
Stock of stamps	3,707,351	3,032,257
	<u>18,877,997</u>	<u>18,370,244</u>



	2023 Taka	2022 Taka
10.4 Advance rent, advertisement, etc.		
Advance rent	17,791,377	17,518,275
Prepaid advertisement	-	-
	<u>17,791,377</u>	<u>17,518,275</u>
10.5 Deferred tax asset / (liability)		
Opening balance	22,474,959	21,757,883
Add : Deferred tax income / (expenses) for the year (note 10.5.1)	60,605,508	717,076
	<u>83,080,467</u>	<u>22,474,959</u>
10.5.1 Detailed calculation of deferred tax assets / (liability)		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of IAS 12 - Taxation, the detail calculation of deferred tax (assets) / liability of the Bank is furnished as under :		
i) Temporary timing difference in written down value (WDV) of Written down value of fixed assets- Property, plant and equipment as per Tax (Tax Base) as on the balance sheet date	589,960,304	559,504,721
Written down value (carrying amount) of fixed assets -Property, plant and equipment	418,874,303	494,052,710
	<u>171,086,001</u>	<u>65,452,011</u>
ii) Temporary timing difference for right of use assets (tax base nil)	1,056,864,660	1,230,570,317
	<u>(885,778,659)</u>	<u>(1,165,118,306)</u>
ii) Temporary timing difference for PV of lease liability (tax base nil)	1,107,326,570	1,225,051,531
Total amount of temporary timing difference in asset /(liability)	<u>221,547,911</u>	<u>59,933,225</u>
Effective tax rate	37.50%	37.50%
Net Deferred tax assets /(liability) at year end	<u>83,080,467</u>	<u>22,474,959</u>
Net Deferred tax assets /(liability) at opening	22,474,959	21,757,883
Deferred tax income /(expenses) for the year	<u>60,605,508</u>	<u>717,076</u>
10.6 Suspense accounts		
Sundry debtors	129,874,328	46,295,774
Receivable from Stock Brokers	132,036	2,891,216
Advance for bKash merchant payment	1,228,819	1,022,287
Advance for SSL merchant payment	-	-
Receivable for payment against Sanchayapatra (interest & principal encashment)	17,756,014	31,260,221
Receivable against cash incentive on remittance	28,000,000	19,726,272
Receivable from remittance houses	2,550,000	2,000,000
Advance against expenses	1,080,045	824,681
Advance against fixed assets (note 10.6.1)	5,473,238	6,210,956
Other prepaid expenses	26,935,159	2,802,338
	<u>213,029,639</u>	<u>113,033,745</u>
10.6.1 Advance against fixed assets		
Advance against fixed assets has been made for which final bill has not being received :		
Interior Decoration and Furniture		3,107,588
Software		-
Machineries, equipments and computer accessories	5,473,238	3,103,368
	<u>5,473,238</u>	<u>6,210,956</u>
11. Borrowings from other banks, financial institutions and agents - Consolidated		
SBAC Bank PLC. (note 11.1)	3,262,983,361	4,031,548,707
SBAC Bank Investment Limited	563,865,318	508,679,030
	<u>3,826,848,679</u>	<u>4,540,227,737</u>
Less : Inter-company transaction	563,865,318	508,679,030
	<u>3,262,983,361</u>	<u>4,031,548,707</u>
11.1 Borrowings from other banks, financial institutions and agents of the Bank		
On-shore banking unit (note 11.2)	3,262,983,361	4,031,548,707
Off-shore banking unit	212,021,964	213,024,332
Less : Inter bank transactions between on-shore banking unit and OBU	(212,021,964)	(213,024,332)
	<u>3,262,983,361</u>	<u>4,031,548,707</u>



	2023 Taka	2022 Taka
11.2 Borrowings from other banks, financial institutions and agents (on-shore banking unit)		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Agro based industries	61,099,998	31,431,510
Green industries	62,223,375	101,352,515
Small enterprise entrepreneurs	57,150,901	4,973,867
10 Taka account	6,122,503	21,210,636
Bangladesh Bank stimulus fund	102,746,486	783,777,065
Export Development Fund (EDF)	777,245,805	2,328,803,114
Pre Finance	1,276,394,293	-
Borrowing from Bangladesh Bank - ALS	750,000,000	760,000,000
	<u>3,092,983,361</u>	<u>4,031,548,707</u>
Unsecured	170,000,000	-
	<u>3,262,983,361</u>	<u>4,031,548,707</u>
b) Outside Bangladesh	-	-
	<u>3,262,983,361</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. 1,259,085,437 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]

11.2 Residual maturity grouping of borrowings from other banks, financial institutions and agents		
On demand	-	-
Within one month	745,283,716	920,828,355
Within one to three months	1,129,999,990	1,396,160,965
Within three to twelve months	980,873,903	1,211,909,616
Within one to five years	111,543,081	137,816,015
More than five years	295,282,671	364,833,756
	<u>3,262,983,361</u>	<u>4,031,548,707</u>

12. Deposits and other accounts - Consolidated

Current / Al-wadeeah current deposits and other accounts

SBAC Bank PLC.	12,701,291,707	9,238,002,337
Less : Inter-company transactions	1,458,333	1,566,240
	<u>12,699,833,374</u>	<u>9,236,436,097</u>

Special notice / mudaraba special notice deposits

SBAC Bank PLC.	5,970,630,318	4,382,625,127
Less : Inter-company transactions	58,245,114	12,431,157
	<u>5,912,385,204</u>	<u>4,370,193,970</u>

Bills payable

SBAC Bank PLC.	5,011,369,023	3,197,410,868
	<u>5,011,369,023</u>	<u>3,197,410,868</u>

Savings bank / mudaraba savings deposits

SBAC Bank PLC.	6,578,429,379	6,920,991,538
	<u>6,578,429,379</u>	<u>6,920,991,538</u>

Fixed / mudaraba term deposits

SBAC Bank PLC.	48,736,337,676	46,074,316,715
Less : Inter-company transactions	349,950,000	375,849,715
	<u>48,386,387,676</u>	<u>45,698,467,000</u>

* As per Bangladesh Bank letter reference no. DBI-3/132/2024-640 dated 29 April 2024 and external auditors, t

SBAC Bank PLC.	14,733,176,576	14,786,087,582
SBAC Bank Investment Ltd.	-	-
	<u>14,733,176,576</u>	<u>14,786,087,582</u>
	<u>93,321,581,232</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)	12,701,291,707	9,238,002,337
Special notice / mudaraba special notice deposits	5,970,630,318	4,382,625,127
Bills payable	5,011,369,023	3,197,410,868
Savings bank / mudaraba savings deposits	6,578,429,379	6,920,991,538
Fixed / mudaraba term deposits	48,736,337,676	46,074,316,715
Other deposits (note : 12.3)	14,733,176,576	14,786,087,582
	<u>93,731,234,679</u>	<u>84,599,434,167</u>



	2023 Taka	2022 Taka
12.2 Current / Al-wadeeah current deposits and other accounts		
Current / Al-wadeeah current deposits	4,715,282,738	3,422,801,798
Foreign currency deposits (net off inter bank transactions between on-shore banking unit and OBU)	158,266,862	83,936,113
Exporters' retention quota accounts	163,239,468	61,719,714
Foreign currency held against BTB L/Cs	1,268,059,791	1,319,062,532
Non resident Taka account	25,776,112	7,554,697
Non resident foreign currency account	8,424,096	6,619,050
Resident foreign currency account	14,670,175	12,893,842
Margin against L/Cs	3,452,735,516	1,860,645,163
Margin against L/Gs	1,502,964,031	1,057,975,227
Margin on Loans	131,097,348	108,046,243
Margin on LDBP	83,400	83,400
Security deposit	27,978,585	26,880,093
Sundry deposits - excise duty	150,853,580	135,981,520
Sundry deposits - local bills	3,924,425	1,045,772
Sundry deposits - Sanchayapatra	6,800,000	6,100,000
Sundry deposits - other	-	12,088,329
Sundry deposits - risk fund	20,695,952	20,928,822
Sundry deposits - foreign correspondents charge	61,130,801	125,830,340
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	176,229,844	225,319,886
Sundry deposits - VAT collected at source	18,213,505	12,342,547
Sundry deposits - VAT deducted Service Bills	18,497,286	11,357,243
Sundry deposits - card settlement account	-	16,453,071
Sundry deposits - Mobile App	13,213,686	3,931,815
Interest payable on deposits	761,186,834	696,437,448
	12,701,291,707	9,238,002,337
12.3 Other deposits		
Monthly savings scheme / mudaraba monthly savings deposits	4,669,256,976	4,550,190,486
Monthly Benefit Scheme Deposits	3,335,294,748	3,995,464,024
Lakhoti Savings Scheme Deposits	183,156,939	197,592,072
Surokha Millionaire Scheme Deposits	1,538,369,199	1,415,131,893
Kotipoti Scheme Deposits	288,394,784	216,426,062
Double Benefit Scheme Deposits	3,987,059,689	3,734,319,255
Triple Benefit Scheme	728,604,310	674,765,568
Mudaraba Hajj deposits	3,039,931	2,198,222
	14,733,176,576	14,786,087,582
12.4 Segregation of deposits and other accounts		
Other than inter-bank deposits	92,146,470,947	81,996,966,894
Inter-bank deposits (Note 12.5)	1,584,763,732	2,602,467,273
	93,731,234,679	84,599,434,167
12.5 Details of inter-bank deposits		
In Current Deposit Account		
Mercantile Bank Limited	2,642,519	2,138,596
Southeast Bank Ltd	1,050	-
Trust Bank Limited	418,250	418,250
	3,061,819	2,556,846
In Short Notice Deposit Account		
Modhumoti Bank Ltd	81,990,537	-
Janata Bank Limited	161,376	160,427
	82,151,913	160,427
In Fixed Deposit Account		
NCC Bank Limited	-	499,950,000
Modhumoti Bank Limited	-	899,950,000
Commercial Bank of Ceylon	-	149,950,000
Bengal Commercial Bank Limited	-	599,950,000
One Bank Limited	399,950,000	449,950,000
CITIZENS Bank PLC	799,700,000	-
MIDLAND Bank Ltd	99,950,000	-
Rajshahi Krishi Unnayan Bank (RAKUB)	199,950,000	-
	1,499,550,000	2,599,750,000
	1,584,763,732	2,602,467,273



	2023 Taka	2022 Taka
12.6 Residual maturity grouping of deposits and other accounts		
On demand	3,188,476,943	2,877,838,387
Within one month	10,182,579,746	9,190,538,115
Within one to three months	16,589,074,698	14,972,877,906
Within three to six months	15,389,795,313	13,890,438,762
Within six to twelve months	11,394,528,948	10,284,412,714
Within one to five years	14,513,947,086	13,099,920,376
More than five years	22,472,831,944	20,283,407,907
	93,731,234,679	84,599,434,167
12.7 Unclaimed deposits for ten years and more held by the bank	-	-
12.8 As on the reporting date of these financial statements, there were no valuable items unclaimed for ten years or more held by the bank.		
12.9 Payable on demand and time deposits		
a) Demand deposits		
Current deposits	4,715,282,738	3,422,801,798
Savings deposits (9%)	592,058,644	622,889,238
Foreign currency deposits (non interest bearing)	1,612,660,392	1,484,231,251
Security deposits	27,978,585	26,880,093
Sundry deposits	6,319,593,880	4,296,534,498
Bills Payable	5,011,369,023	3,197,410,868
	18,278,943,262	13,050,747,746
b) Time deposits		
Savings deposits (91%)	5,986,370,735	6,298,102,300
Fixed deposits	48,736,337,676	46,074,316,715
Special notice deposits	5,970,630,318	4,382,625,127
Deposits under schemes	14,733,176,576	14,786,087,582
Non resident Taka deposits	25,776,112	7,554,697
	75,452,291,417	71,548,686,421
	93,731,234,679	84,599,434,167
12.10 Sector-wise break-up of deposits and other accounts		
Government	2,722,792,710	2,722,792,710
Deposit money banks	1,584,763,732	2,602,467,273
Other public	10,167,326,304	10,167,326,304
Foreign currency	1,612,660,392	1,484,231,251
Private	77,643,691,541	67,622,616,629
	93,731,234,679	84,599,434,167
13. Other liabilities - Consolidated		
SBAC Bank PLC. (note 13.1)	9,444,922,435	7,199,371,669
SBAC Bank Investment Limited	128,925,472	38,384,462
	9,573,847,907	7,237,756,131
Less : Inter-company transactions	19,629,590	1,474,594
	9,554,218,317	7,236,281,537
13.1 Other liabilities of the Bank		
Sundry creditors	25,754,688	16,136,827
Provision for expenses	49,620,946	36,451,919
Central clearing, EFT, NPSB adjustment account	2,036,919	4,296,917
Unearned profit (Markup)	10,575,402	5,561,100
Provision for gratuity (note 13.2)	-	-
Provision for taxation (note 13.3)	2,081,792,606	1,147,727,892
Provision on loans & advances (note 13.4)	3,389,311,444	2,658,800,081
Special general provision - COVID-19 (note 13.5)	75,066,248	84,793,723
General provision on Off Balance Sheet exposures (note 13.6)	239,329,807	200,695,261
Provision against other assets	28,494,000	20,894,000
Provision for rebate to good borrowers (note 13.7)	-	-
Present value of lease liability (note 13.8)	1,107,326,570	1,225,051,531
Interest suspense account (note 13.9)	2,178,771,361	1,514,315,563
Startup fund (note 13.10)	25,853,896	20,487,780
Provision for diminution in value of investments (note 13.11)	144,891,785	123,434,872
Proposed dividend for 2021	-	81,603,130
Dividend payable	86,096,763	59,121,073
	9,444,922,435	7,199,371,669



	2023 Taka	2022 Taka
13.2 Provision for gratuity		
Opening balance	-	-
Add : Provision made for the period	129,998,012	125,482,240
	<u>129,998,012</u>	<u>125,482,240</u>
Less : transferred to gratuity fund during the period	129,998,012	125,482,240
Closing balance	<u>-</u>	<u>-</u>
13.3 Provision for taxation		
Opening balance	1,147,727,892	816,756,524
Add : Provision made for the year (Note 13.3.2)	934,064,714	725,789,419
	<u>2,081,792,606</u>	<u>1,542,545,943</u>
Less : Adjustment during the year	-	394,818,051
Closing balance	<u>2,081,792,606</u>	<u>1,147,727,892</u>

13.3.1 Status of income tax assessment

Accounting Year	Assessment Year	Status
Up to 2020	Up to 2021-2022	Assessment completed
2021	2022-2023	Return submitted, assessment yet to complete

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

Particulars	2023		2022	
	%	Taka	%	Taka
Profit before tax as per profit and loss account		2,198,546,137		1,754,547,475
Corporate as per applicable tax rate	37.50%	824,454,801	37.50%	657,955,303
Factors affecting the tax charge for current year :				
Non-deductible and inadmissible expenses	9.29%	204,318,834	9.82%	172,345,128
Admissible expenses	-6.36%	(139,819,636)	-3.66%	(64,142,368)
Tax savings from reduced tax rates	-3.61%	(79,287,593)	-2.30%	(40,368,644)
Effect of deferred tax	-2.76%	(60,605,508)	-0.04%	(717,076)
Prior year shortfall provision adjustment	8.41%	185,003,815	0.00%	-
Effective tax rate	42.49%	934,064,714	41.33%	725,072,343

13.4 Provision for loans and advances

A. General provision on loans and advances - Main Operation

Opening balance	156,819,762	8,465,020
General provision for the year	59,805,634	148,354,742
Provision held at the year end	<u>216,625,396</u>	<u>156,819,762</u>

B. Specific provision against 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 year	684,343,891	862,318,813
Less : Specific provision no more required as loans	12,457,977	558,708,919
Specific provision against loans and advances for during the year	<u>671,885,914</u>	<u>303,609,894</u>
Add : Net charge to profit and loss account	-	-
Provision held at the end of the year	<u>3,171,658,689</u>	<u>2,499,772,775</u>

C. General provision on loans and advances - OBU

Opening balance	2,207,544	5,632,109
General provision for the year	(1,180,185)	(3,424,565)
Less : Provision no more required	-	-
Provision held at the year end	<u>1,027,359</u>	<u>2,207,544</u>

Total (A + B + C)

<u>3,389,311,444</u>	<u>2,658,800,081</u>
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General provision (including off balance sheet exposures) for the year

Main operation	177,229,056	148,354,742
Off shore banking unit	(1,180,185)	(3,424,565)
Off balance sheet exposures	62,100,751	32,298,879
	<u>238,149,622</u>	<u>177,229,056</u>
SBAC Bank Investment Ltd.	3,663,302	3,430,796
	<u>241,812,924</u>	<u>180,659,852</u>



	2023 Taka	2022 Taka
13.5 Special general provision - COVID-19 (note 8.10)		
Opening balance	84,793,723	187,183,129
Add : Provision made for the year	-	-
Less : Provision no more required	<u>(9,727,475)</u>	<u>(102,389,406)</u>
	<u><u>75,066,248</u></u>	<u><u>84,793,723</u></u>
13.6 Provision for off balance sheet exposures (note 18.4)		
Opening balance	200,695,261	168,396,382
Add : Provision made for the year	<u>38,634,546</u>	<u>32,298,879</u>
	<u><u>239,329,807</u></u>	<u><u>200,695,261</u></u>
13.7 Provision for rebate to good borrowers		
Opening balance	-	19,000,000
Add : Provision made for the year	-	-
	-	<u>19,000,000</u>
Less: Transferred to profit as no more required	-	<u>19,000,000</u>
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>
<p>Vide BRPD circular letter no.14 dated 18 June 2020, Bangladesh Bank withdrew the provision of mandatory payment of good borrowers' incentive after 30 September 2019. Accordingly, SBAC Bank Ltd reversed all the excess provision made earlier as the Bank has no further obligation to pay good borrower incentives.</p>		
13.8 Present value of lease liability		
<p>The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00%.</p>		
13.9 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 year	664,455,798	687,141,829
Less : Amount recovered from "interest suspense" account during the year	-	173,450,913
Less : Amount written-off during the year	-	-
Balance as on 31 December	<u><u>2,178,771,361</u></u>	<u><u>1,514,315,563</u></u>
13.10 Startup fund		
Opening balance	20,487,780	14,866,773
Add : Transferred during the year	<u>5,366,116</u>	<u>5,621,007</u>
	<u><u>25,853,896</u></u>	<u><u>20,487,780</u></u>
<p>As per SMESPD Circular no. 4 dated 29 March 2021 and SMESPD Circular no. 5 dated 26 April 2021, 1% of net profit after tax has been transferred to the fund.</p>		
13.11 Provision for diminution in value of investments		
Consolidated		
Opening balance	127,476,353	36,403,988
Add : Provision made for the year	<u>36,242,912</u>	<u>91,072,365</u>
	<u><u>163,719,265</u></u>	<u><u>127,476,353</u></u>
Bank (solo)		
Opening balance	123,434,872	36,403,988
Add : Provision made for the year	<u>21,456,913</u>	<u>87,030,884</u>
	<u><u>144,891,785</u></u>	<u><u>123,434,872</u></u>
13.12 Dividend payable		
For 2020	31,676,235	32,421,603
For 2021	24,889,314	26,699,470
For 2022	<u>29,531,214</u>	<u>-</u>
	<u><u>86,096,763</u></u>	<u><u>59,121,073</u></u>



	2023 Taka	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 @ 0.04 against 1 existing share of Tk 10 each for the year 2020	313,858,200	313,858,200
Stock dividend @ 0.01 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 Group-wise shareholding position

Particulars	2023			2022		
	No. of shares	Percentage (%) of holding	Taka	No. of shares	Percentage (%) of holding	Taka
Sponsor / Directors	639,958,247	77.65%	6,399,582,470	578,309,900	70.87%	5,783,099,000
Financial Institutions	59,312,620	7.20%	593,126,200	120,571,894	14.78%	1,205,718,940
Foreign Investors	5,252	0.00%	52,520	5,200	0.00%	52,000
Non-resident Bangladeshi	1,066,745	0.13%	10,667,450	1,094,374	0.13%	10,943,740
General Shareholders	123,848,786	15.03%	1,238,487,860	116,049,969	14.22%	1,160,499,690
Total	824,191,650	100.00%	8,241,916,500	816,031,337	100.00%	8,160,313,370

14.5 Range-wise shareholdings as on 31 December 2023

Range of holding of shares	No of share holders	Percentage % of share holding	No of shares	Taka
Less than 500	67,546	1.18%	9,713,133	97,131,330
500 - 5,000	11,249	2.31%	19,048,013	190,480,130
5,001 - 10,000	1,318	1.04%	8,596,679	85,966,790
10,001 - 20,000	904	1.43%	11,748,906	117,489,060
20,001 - 30,000	264	0.75%	6,141,742	61,417,420
30,001 - 40,000	152	0.62%	5,093,066	50,930,660
40,001 - 50,000	75	0.40%	3,281,516	32,815,160
50,001 - 100,000	208	1.60%	13,207,514	132,075,140
100,001 - 1,000,000	129	2.92%	24,033,014	240,330,140
1,000,001 and above	57	87.76%	723,328,067	7,233,280,670
Total	81,902	100.00%	824,191,650	8,241,916,500

14.6 Capital to Risk Weighted Assets Ratio

As per Section 13(2) of the Bank Companies Act, 1991 (Amended upto 2018) and instructions contained in BRPD Circular Letter No. 11 dated 14 August 2008, BRPD Circular No. 10 dated 10 March 2010, BRPD Circular No. 35 dated 29 December 2010, BRPD Circular No. 07 dated 31 March 2014, BRPD Circular No. 18 dated 21 December 2014, BRPD Circular Letter No. 05 dated 31 May 2016 [Guidelines on Risk Based capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the total capital (eligible regulatory capital) (consolidated) of the Bank as of 31 December 2022 stood at Taka 11,148,575,804 (Tier-I Capital Taka 10,704,059,514 and Tier-II Capital Taka 444,516,290) against the risk based capital requirement of Taka 10,111,055,547. As a result, there was a capital surplus (consolidated) of Taka 1,037,520,257 in risk based capital adequacy as on 31 December 2022.



	2023 Taka	2022 Taka
14.7 Details of capital adequacy ratio are furnished below - Consolidated :		
A. Total common equity Tier - I capital		
Paid up capital	8,241,916,500	8,160,313,370
Statutory reserve	2,486,942,756	2,204,928,598
Retained earnings	358,026,473	390,293,727
Non-controlling (minority) interest	435,111	432,182
	11,087,320,840	10,755,967,877
Less : Regulatory Adjustments	36,165,177	51,908,363
	11,051,155,663	10,704,059,514
B. Additional Tier - I capital	-	-
C. Total Tier - I Capital (A + B)	11,051,155,663	10,704,059,514
D. Tier - II capital		
General provision on unclassified loans and off-balance sheet exposures	532,048,810	444,516,290
50% of Revaluation reserve as on 31 December 2014	22,014,417	22,014,417
	554,063,227	466,530,707
Less : Regulatory Adjustments:		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	532,048,810	444,516,290
E. Total capital (C + D)	11,583,204,473	11,148,575,804
F. Total risk weighted assets (RWA)	83,841,833,609	80,888,444,375
G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]	10,480,229,201	10,111,055,547
H. Surplus/(shortfall) of capital (E - G)	1,102,975,272	1,037,520,257
I. Total Exposure	128,952,823,801	116,460,400,970
Capital to risk weighted assets ratio (CRAR) (E/F X 100)	13.82%	13.78%
Common equity Tier-I to risk weighted assets ratio (A/F X 100)	13.18%	13.23%
Tier-I capital to risk weighted assets ratio (C/F X 100)	13.18%	13.23%
Tier-II capital to risk weighted assets ratio (D/F X 100)	0.63%	0.55%
Leverage ratio (C/I X 100)	8.57%	9.19%
14.8 Total risk weighted assets (RWA) - Consolidated		
A. Credit risk weighted assets		
On-Balance Sheet	59,552,728,668	60,261,423,958
Off-Balance Sheet	11,015,934,521	8,648,023,162
	70,568,663,189	68,909,447,120
B. Market risk weighted assets	3,599,024,254	3,801,743,842
C. Operational risk weighted assets	9,674,146,166	8,177,253,413
Total risk weighted assets (RWA)	83,841,833,609	80,888,444,375
14.9 Details of capital adequacy ratio are furnished below - Solo :		
A. Total common equity Tier - I capital		
Paid up capital	8,241,916,500	8,160,313,370
Statutory reserve	2,486,942,756	2,204,928,598
Retained earnings	318,907,652	358,143,419
	11,047,766,908	10,723,385,387
Less : Regulatory Adjustments	32,852,186	41,369,781
	11,014,914,722	10,682,015,606
B. Additional Tier - I capital	-	-
C. Total Tier - I Capital (A + B)	11,014,914,722	10,682,015,606
D. Tier - II capital		
General provision on unclassified loans and off-balance sheet exposures	532,048,810	444,516,290
50% of Revaluation reserve as on 31 December 2014	22,014,417	22,014,417
	554,063,227	466,530,707
Less : Regulatory Adjustments:		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	532,048,810	444,516,290
E. Total capital (C + D)	11,546,963,532	11,126,531,896
F. Total risk weighted assets (RWA)	84,222,662,387	81,107,973,897
G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]	10,527,832,798	10,138,496,737
H. Surplus/(shortfall) of capital (E - G)	1,019,130,733	988,035,159
I. Total Exposure	128,520,370,042	115,491,176,865



	2023 Taka	2022 Taka
Capital to risk weighted assets ratio (CRAR) (E/F X 100)	13.71%	13.72%
Common equity Tier-I to risk weighted assets ratio (A/F X 100)	13.08%	13.17%
Tier-I capital to risk weighted assets ratio (C/F X 100)	13.08%	13.17%
Tier-II capital to risk weighted assets ratio (D/F X 100)	0.63%	0.55%
Leverage ratio (C/I X 100)	8.57%	9.25%
14.10 Total risk weighted assets (RWA) - Solo		
A. Credit risk weighted assets		
On-Balance Sheet	60,489,674,088	60,824,539,340
Off-Balance Sheet	11,015,934,521	8,648,023,162
	71,505,608,609	69,472,562,502
B. Market risk weighted assets	3,125,418,357	3,495,707,620
C. Operational risk weighted assets	9,591,635,421	8,139,703,775
Total risk weighted assets (RWA)	84,222,662,387	81,107,973,897
14.11 Non-controlling (Minority) interest		
Share capital	400,000	400,000
Retained earnings	35,111	32,182
	435,111	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 year	282,014,158	257,434,609
Closing balance	2,486,942,756	2,204,928,598
16. Other reserve (revaluation reserve on Govt. Securities)		
Opening balance	65,228,536	129,270,472
Add : Amortization / revaluation gain	-	3,037,186,788
	65,228,536	3,166,457,260
Less : Adjustment of amortization / revaluation gain against sale / maturity	43,179,405	3,101,228,724
Closing balance	22,049,131	65,228,536
16.1 Capital reserve		
Opening balance	516,704	-
* As per Bangladesh Bank letter reference no. DBI-3/132/2024-640 dated 29 April 2024	2,753,216	516,704
Closing balance	3,269,920	516,704
16.2 Foreign currency translation reserve		
Opening balance	7,933,440	251,592
Add : Addition during year	4,776,926	7,681,848
	12,710,366	7,933,440
Less : Adjustment during the year	-	-
Closing balance	12,710,366	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)
	101,826,649	64,260,203
Net profit during the year	546,363,258	589,632,859
Less : Transferred to statutory reserve	(282,014,158)	(257,434,609)
Less: Transferred to capital reserve	(2,753,216)	(516,704)
Less: Transferred to start up fund	(5,366,116)	(5,621,007)
	256,229,768	326,060,539
	358,056,417	390,320,742
Less : Non-controlling (Minority) interest	29,944	27,015
Closing balance	358,026,473	390,293,727
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)
	69,676,341	59,098,331
Net profit during the year	536,611,585	562,100,704
Less : Transferred to statutory reserve	(282,014,158)	(257,434,609)
Less: Transferred to start up fund	(5,366,116)	(5,621,007)
	249,231,311	299,045,088
Closing balance	318,907,652	358,143,419



	2023 Taka	2022 Taka		
18. Contingent liabilities - Consolidated				
SBAC Bank PLC.				
Acceptances and endorsements	4,682,195,862	4,948,539,066		
Letters of Guarantee (note 18.1)	14,011,516,153	10,830,648,085		
Irrevocable letters of credit (note 18.2)	6,146,781,395	4,290,338,894		
Bills for collection (note 18.3)	4,518,447,260	1,712,915,295		
Other contingent liabilities	-	-		
	29,358,940,670	21,782,441,340		
SBAC Bank Investment Limited	-	-		
	29,358,940,670	21,782,441,340		
18.1 Letters of guarantee				
Money for which the bank is contingently liable in respect of guarantees issued favoring:				
Directors	-	-		
Government	11,608,920,699	8,973,485,336		
Banks and other financial institutions	-	-		
Others	2,402,595,454	1,857,162,749		
	14,011,516,153	10,830,648,085		
18.2 Irrevocable letters of credit				
Local				
Irrevocable letters of credit (sight)	4,234,862,213	2,177,428,297		
Irrevocable letters of credit (usance)	29,400,948	20,463,162		
Irrevocable letters of credit - back to back	1,192,375,889	932,425,133		
	5,456,639,050	3,130,316,592		
Foreign				
Irrevocable letters of credit (sight)	-	-		
Irrevocable letters of credit (usance)	265,809,713	798,998,315		
Irrevocable letters of credit - back to back	424,332,632	361,023,987		
	690,142,345	1,160,022,302		
	6,146,781,395	4,290,338,894		
18.3 Bills for collection				
Outward local bills	18,630	18,630		
Local documentary bills for collection	2,140,320,420	1,058,725,789		
Foreign documentary bills for collection	2,378,108,210	654,170,876		
	4,518,447,260	1,712,915,295		
18.4 Particulars of required provision on off-balance sheet exposures				
			Required provision	
			2023	2022
			Taka	Taka
Acceptances and endorsements	4,682,195,862	1.00%	46,821,959	49,485,391
Letters of Guarantee (note 18.1)	14,011,516,153	1.00%	140,115,162	108,306,481
Irrevocable letters of credit (note 18.2)	6,146,781,395	0.5% - 1%	52,392,686	42,903,389
Bills for collection (note 18.3)	4,518,447,260	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
Total	29,358,940,670		239,329,807	200,695,261
Total Provision Maintained			239,329,807	200,695,261
Exces / (Short) provision maintained			-	-



	2023 Taka	2022 Taka
19. Particulars of profit and loss account of the Bank		
Income		
Interest, discount and similar income (note 21.1)	6,892,330,558	5,883,296,742
Dividend income (note 23.1)	74,260,595	79,273,286
Fees, commission and brokerage (note 24.1)	429,182,881	364,461,389
Gains / (Loss) arising from investment securities (note 23.1)	1,636,368,110	1,609,876,302
Gains / (Loss) arising from dealing in foreign currencies (note 24.1)	692,439,302	670,363,560
Income from non-banking assets	-	-
Other operating income (note 25.1)	451,361,848	203,019,563
Profit less losses in interest rate changes	-	-
	10,175,943,294	8,810,290,842
Expenses		
Interest, fee and commission (note 22.1)	5,266,344,903	4,627,650,279
Losses on loans and advances	-	-
Administrative expenses (note 20)	2,086,792,387	1,838,841,328
Other operating expenses (note 35.1)	257,708,295	227,976,077
Depreciation on bank's assets (note 34.1)	366,551,572	361,275,683
	7,977,397,157	7,055,743,367
	2,198,546,137	1,754,547,475
20. Administrative expenses		
Salary and allowances (note 26.1)	1,791,985,540	1,570,379,086
Rent, taxes, insurance, electricity etc. (note 27.1)	180,505,179	165,778,075
Legal & professional expenses (note 28.1)	4,980,422	9,286,850
Postage, stamp, telecommunication etc. (note 29.1)	7,223,831	15,034,133
Stationery, printing, advertisement etc. (note 30.1)	56,192,852	43,110,139
Chief executive's salary and fees (note 31)	13,240,000	11,785,897
Directors' fees and other benefits (note 32.1)	3,392,000	3,040,000
Audit fees (note 33.1)	977,500	920,000
Repair of bank's assets (note 34.1)	28,295,063	19,507,148
	2,086,792,387	1,838,841,328
21. Interest income / profit on investment - Consolidated		
SBAC Bank PLC. (note 21.1)	6,892,330,558	5,883,296,742
SBAC Bank Investment Limited	79,986,815	35,200,672
	6,972,317,373	5,918,497,414
Less : Inter company transactions	72,244,628	34,149,334
	6,900,072,745	5,884,348,080
21.1 Interest income / profit on investments of the Bank		
Interest on loans and advances / profit on investments		
Cash credit	1,264,012,705	1,304,315,440
Secured overdraft / bai murabaha	1,941,252,326	1,476,096,735
General overdraft	128,232,158	90,969,008
Local bills purchased	177,552,466	179,455,310
Foreign bills purchased	5,872,824	6,250,758
Import finance / murabaha	132,256,972	255,249,766
Export finance	21,430,864	6,191,789
Other demand loans	881,605,280	697,729,339
Lease finance / HPSM	69,715,732	59,581,648
House building loans / HPSM	123,373,189	83,045,777
General term loans / bai murabaha	1,448,187,200	1,209,507,565
SME loans / bai murabaha	366,973,154	160,264,959
Consumer credit scheme	9,304,820	6,638,861
Credit card	45,170,385	36,660,209
Agriculture & rural credit / bai murabaha	174,334,382	101,555,025
Staff loans / HPSM	26,880,022	21,994,321
	6,816,154,479	5,695,506,510
Interest on money at call and short notice	10,567,542	2,451,167
Interest on FDR with other banks and financial institutions	43,225,686	137,884,115
Interest on SND with other banks	2,933,536	15,816,176
	6,872,881,243	5,851,657,968
Interest Income - Off-shore Banking Unit	19,449,315	31,638,774
	6,892,330,558	5,883,296,742
22. Interest / profit paid on deposits, borrowings etc.		
SBAC Bank PLC. (note 22.1)	5,266,344,903	4,627,650,279
SBAC Bank Investment Limited	49,953,351	13,447,409
	5,316,298,254	4,641,097,688
Less : Inter company transactions	72,244,628	34,149,334
	5,244,053,626	4,606,948,354



	2023 Taka	2022 Taka
22.1 Interest / profit paid on deposits, borrowings etc. of the Bank		
Interest / profit paid on deposits		
Savings bank / mudaraba savings deposits	266,995,948	231,261,866
Special notice / mudaraba special notice deposits	123,718,989	122,042,097
Monthly savings schemes / mudaraba monthly savings deposits	544,170,519	520,219,260
Monthly benefit schemes	284,903,510	377,478,626
Special deposit schemes	460,242,868	424,545,885
Fixed /mudaraba term deposits	3,063,730,125	2,441,255,686
	4,743,761,959	4,116,803,420
Interest on call borrowing	21,749,819	35,714,417
Interest on credit lines	28,536,250	76,919,582
Interest on Bangladesh Bank Re-financing facilities	24,358,769	37,842,183
Interest on borrowing under REPO	447,938,106	360,370,677
	5,266,344,903	4,627,650,279
23. Income from investment in shares / securities - Consolidated		
SBAC Bank PLC. (note 23.1)	1,710,628,705	1,689,149,588
SBAC Investment Limited	23,067,738	16,162,507
	1,733,696,443	1,705,312,095
23.1 Income from investment in shares / securities of the Bank		
Dividend on shares	74,260,595	79,273,286
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	1,326,369,682	1,613,342,414
Interest / profit on treasury bills	7,525,448	23,951,801
Interest on reverse REPO	7,841,918	10,751,986
Gains / (loss) on trading of government securities	258,098,928	(134,518,333)
	1,599,835,976	1,513,527,868
Gains / (loss) on sale of shares	36,532,134	96,348,434
	1,636,368,110	1,609,876,302
Gains / (Loss) arising from investment securities	1,710,628,705	1,689,149,588
24. Commission, exchange and brokerage - Consolidated		
SBAC Bank PLC. (note 24.1)	1,121,622,183	1,034,824,949
SBAC Investment Limited	36,716,408	25,551,497
	1,158,338,591	1,060,376,446
24.1 Commission, exchange and brokerage of the Bank		
Fees, commission and brokerage		
Commission on bills & remittance	7,392,559	5,394,958
Commission on letters of credit	153,331,159	139,918,535
Commission on letters of guarantee	195,268,811	163,174,459
Commission on acceptances	62,533,174	47,806,668
Other commission	10,657,178	8,166,769
	429,182,881	364,461,389
Gains / (Loss) arising from dealing in foreign currencies	692,439,302	670,363,560
	1,121,622,183	1,034,824,949
25. Other operating income - Consolidated		
SBAC Bank PLC. (note 25.1)	451,361,848	203,019,563
SBAC Investment Limited	104,605	88,471
	451,466,453	203,108,034
Less : Inter company transactions	-	18,424
	451,466,453	203,089,610
25.1 Other operating income of the Bank		
Banking service charge	413,110,262	171,984,488
Card operation charge	25,357,790	20,074,167
Locker rent	122,070	149,700
Miscellaneous income	12,771,726	10,811,208
	451,361,848	203,019,563
26. Salaries and allowances - Consolidated		
SBAC Bank PLC. (note 26.1)	1,791,985,540	1,570,379,086
SBAC Investment Limited	26,234,223	12,406,365
	1,818,219,763	1,582,785,451



	2023	2022
	Taka	Taka
26.1 Salaries and allowances of the Bank		
Basic salary	564,918,715	531,207,337
House rent allowance	271,067,125	250,223,368
Conveyance allowance	52,623,779	39,052,901
Medical allowance	82,585,070	63,829,268
Other allowances	303,723,914	244,256,052
Festival bonus	157,502,338	92,072,367
Incentive bonus for previous year	-	35,039,467
Bank's contribution on provident fund	52,584,106	49,010,343
Gratuity	129,998,012	125,482,240
Casual labourer & wages (gross)	142,316,607	74,556,414
Salary to casual labourer & wages	18,989,362	59,527,125
Commission to security service provider	15,676,512	6,122,204
	<u>1,791,985,540</u>	<u>1,570,379,086</u>
27. Rent, taxes, insurance, electricity etc. - Consolidated		
SBAC Bank PLC. (note 27.1)	180,505,179	165,778,075
SBAC Investment Limited	1,492,239	1,623,250
	<u>181,997,418</u>	<u>167,401,325</u>
27.1 Rent, taxes, insurance, electricity etc. of the Bank		
Rent - Office Premises, ATM Booths and other installations	12,048,845	7,540,652
Rates and taxes	44,626,584	41,949,247
Utilities	55,382,157	49,015,186
Insurance	68,447,593	67,272,990
	<u>180,505,179</u>	<u>165,778,075</u>
As per IFRS 16, an entity shall recognize its right-of-use (ROU) asset (i.e. the right to use the office building, branches, service centers, etc.) and a corresponding lease liability. 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'. Actual rent paid during the year was Taka 261,945,490.		
28. Legal and professional expenses - Consolidated		
SBAC Bank PLC. (note 28.1)	4,980,422	9,286,850
SBAC Investment Limited	191,700	105,108
	<u>5,172,122</u>	<u>9,391,958</u>
28.1 Legal and professional expenses of the Bank		
Legal expenses	1,807,773	5,791,912
Professional fees	3,172,649	3,494,938
	<u>4,980,422</u>	<u>9,286,850</u>
29. Postage, stamp, telecommunication etc. - Consolidated		
SBAC Bank PLC. (note 29.1)	7,223,831	15,034,133
SBAC Investment Limited	-	-
* As per Bangladesh Bank letter reference no. DBI-3/132/2024-640 dated 29 April	<u>7,223,831</u>	<u>15,034,133</u>
29.1 Postage, stamp, telecommunication etc. of the Bank		
Postage	1,963,513	1,812,607
Telephone, fax etc.	5,002,670	6,831,405
Internet & SWIFT	257,648	6,390,121
	<u>7,223,831</u>	<u>15,034,133</u>
30. Stationery, printing, advertisement etc. - Consolidated		
SBAC Bank PLC. (note 30.1)	56,192,852	43,110,139
SBAC Investment Limited	185,770	303,325
	<u>56,378,622</u>	<u>43,413,464</u>
30.1 Stationery, printing, advertisement etc. of the Bank		
Office stationery	13,111,116	11,866,603
Printing stationery	20,173,178	13,224,476
Petty stationery	6,090,544	4,784,012
Security stationery	4,739,847	474,429
Advertisement	12,078,167	12,760,619
Publicity- purchase of diary, calendar etc.	-	-
	<u>56,192,852</u>	<u>43,110,139</u>
31. Chief executive's salary and fees of the Bank		
Basic salary	7,200,000	6,075,742
House rent allowance	1,800,000	1,441,936
House maintenance / furnishing allowance	600,000	1,155,645
Bank's contribution on provident fund	-	570,800
Festival bonus	1,200,000	1,380,000
Incentive Bonus	1,000,000	-
Other allowances	1,440,000	1,161,774
	<u>13,240,000</u>	<u>11,785,897</u>



	2023 Taka	2022 Taka
32. Directors' fees - Consolidated		
SBAC Bank PLC. (note 32.1)	3,392,000	3,040,000
SBAC Investment Limited	312,000	256,000
	<u>3,704,000</u>	<u>3,296,000</u>
32.1 Directors' fees of the Bank		
Meeting attendance fees	<u>3,392,000</u>	<u>3,040,000</u>
33. Auditors' fees - Consolidated		
SBAC Bank PLC. (note 33.1)	977,500	920,000
SBAC Investment Limited	74,750	57,500
	<u>1,052,250</u>	<u>977,500</u>
33.1 Auditors' fees of the Bank		
Audit fees (annual audit)	800,000	800,000
Audit fees (interim audit)	-	-
Audit fees (provident fund & gratuity fund)	50,000	-
VAT on audit fees	127,500	120,000
	<u>977,500</u>	<u>920,000</u>
34. Depreciation and repairs & maintenance - Consolidated		
SBAC Bank PLC. (note 34.1)	394,846,635	380,782,831
SBAC Investment Limited	1,863,652	862,011
	<u>396,710,287</u>	<u>381,644,842</u>
34.1 Depreciation and repairs & maintenance of Bank's Assets		
Depreciation / amortization		
Motor vehicles	6,628,329	7,123,260
Machinery and equipments	28,455,397	27,999,500
Furniture & fixtures	15,743,976	10,248,754
Interior decoration	34,609,753	34,230,792
Computer and peripherals	48,539,038	48,476,055
Software	8,651,740	11,982,656
Office tools and accessories	5,991,479	6,444,703
Depreciation on right of use assets (lease assets)	217,931,860	214,769,963
	366,551,572	361,275,683
Repairs & maintenance of bank's assets	28,295,063	19,507,148
	<u>394,846,635</u>	<u>380,782,831</u>
35. Other expenses		
SBAC Bank PLC. (note 35.1)	257,708,295	227,976,077
SBAC Investment Limited	9,126,790	5,925,760
	266,835,085	233,901,837
Less : Inter company transactions	-	18,424
	<u>266,835,085</u>	<u>233,883,413</u>
35.1 Other expenses of the Bank		
Entertainment expenses	25,682,338	18,012,874
Training & workshop expenses	254,937	2,041,418
Travel and daily allowance	9,195,369	7,153,521
Fuel and lubricants expenses - bank's vehicles	3,564,000	2,246,309
Subscriptions to trade associations	8,023,592	14,327,245
Donations	56,210,071	53,510,000
Business promotion and development	9,600,693	9,999,408
Books, magazines & news papers etc.	753,183	564,497
Local conveyance	5,480,390	4,943,792
Cash carrying expenses	4,295,656	4,655,107
Cartage and freight	343,467	519,116
Washing and cleaning	3,771,047	3,098,138
Other bank charges paid	28,087,504	13,476,924
Expenses on AGM	317,380	146,268
Expenses on managers' conference	5,432,209	3,494,674
Antivirus and other software	19,835,454	12,273,070
Branch & head office inauguration expenses	1,044,510	1,096,162
Miscellaneous expenses	4,803,204	2,920,427
Expenses on initial public offering	-	-
Interest on lease liability	71,013,291	73,497,127
	<u>257,708,295</u>	<u>227,976,077</u>



	2023 Taka	2022 Taka
36. Provision for taxation		
Current tax		
SBAC Bank PLC. (note 13.3)	934,064,714	725,789,419
SBAC Investment Limited	12,275,016	6,983,966
	946,339,730	732,773,385
Deferred tax		
SBAC Bank PLC. (note 10.5.1)	(60,605,508)	(717,076)
SBAC Investment Limited	48,125	28,021
	(60,557,383)	(689,055)
	885,782,347	732,084,330
37. Increase / (decrease) of other assets of the Bank		
Closing -		
Stock of stationeries and stamps	18,877,997	18,370,244
Advance rent, advertisement, etc.	17,791,377	17,518,275
Advance & Security deposits	4,370,655	4,190,355
Central clearing, EFT, NPSB adjustment account	1,411	1,411
Suspense accounts	213,029,639	113,033,745
Protested bills	28,494,000	20,894,000
Investment in subsidiary	399,600,000	399,600,000
	682,165,079	573,608,030
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
Central clearing, EFT, NPSB adjustment account	1,411	8,486
Suspense accounts	113,033,745	183,159,029
Investment in subsidiary	399,600,000	399,600,000
	552,714,030	615,347,549
	129,451,049	(41,739,519)
37.1 Increase / (decrease) of other assets - Consolidated		
Closing -		
Stock of stationeries and stamps	18,877,997	18,370,244
Advance rent, advertisement, etc.	17,791,377	17,518,275
Advance & Security deposits	424,846,616	414,699,049
Central clearing, EFT, NPSB adjustment account	1,411	1,411
Suspense accounts	211,555,045	111,559,151
Protested bills	28,494,000	20,894,000
	701,566,446	583,042,130
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	414,699,049	403,049,845
Central clearing, EFT, NPSB adjustment account	1,411	8,486
Suspense accounts	111,559,151	183,159,029
	562,148,130	614,619,637
	139,418,316	(31,577,507)
38. Increase / (decrease) of other liabilities of the Bank		
Closing -		
Sundry creditors	25,754,688	16,136,827
Central clearing, EFT, NPSB adjustment account	2,036,919	4,296,917
Present value of lease liability	1,107,326,570	1,225,051,531
	1,135,118,177	1,245,485,275
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
	1,245,485,275	1,178,251,762
	(110,367,098)	67,233,513
38.1 Increase / (decrease) of other liabilities - Consolidated		
Closing -		
Sundry creditors	46,222,581	36,604,720
Central clearing, EFT, NPSB adjustment account	2,036,919	4,296,917
Provision for gratuity	596,487	596,487
Present value of lease liability	1,107,326,570	1,225,051,531
	1,156,182,557	1,266,549,655
Opening -		
Sundry creditors	36,604,720	10,437,261
Central EFT adjustment account	4,296,917	-
Present value of lease liability	1,225,051,531	1,167,814,501
	1,265,953,168	1,178,251,762
	(109,770,611)	88,297,893



	2023 Taka	2022 Taka
39. Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank		
Profit before provision	2,198,546,137	1,754,547,475
Depreciation on fixed assets	366,551,572	361,275,683
(Gain) / loss on sale of fixed assets	-	-
(Increase) / decrease of interest receivable	10,357,436	79,538,114
Increase / (decrease) of interest payable	48,848,151	77,345,628
Increase / (decrease) of expenses payable	13,169,027	982,695
(Increase) / decrease of dividend receivable	(6,969,060)	(6,969,060)
Advance tax paid	(852,475,888)	(692,666,014)
Gain on Trading of Govt Securities	(258,098,928)	134,518,333
Gain from sale of shares	(36,532,134)	(96,348,434)
Effects of exchange rate changes on cash and cash-equivalent	(919,383,118)	(919,383,118)
Operating profit before changes in operating assets and liabilities	564,013,195	692,841,302
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	1,628,488,145	1,692,745,576
Loans and advances to other banks	-	-
Loans and advances to customers	(8,179,820,554)	(11,520,125,463)
Increase / decrease of other assets	(129,451,049)	41,739,519
Deposits from other banks	(1,017,703,541)	2,600,148,611
Deposits from customers	10,084,754,667	8,857,347,657
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	(110,367,098)	67,233,513
	2,275,900,570	1,739,089,413
Net cash from operating activities	2,839,913,765	2,431,930,715
39.2 Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated		
Profit before provision	2,248,987,228	1,796,563,894
Depreciation on fixed assets	367,367,914	362,092,025
(Gain) / loss on sale of fixed assets	-	-
(Increase) / decrease of interest receivable	8,791,196	79,795,809
Increase / (decrease) of interest payable	50,522,298	76,830,238
Increase / (decrease) of expenses payable	28,535,766	1,459,691
(Increase) / decrease of dividend receivable	(22,020,428)	(6,969,060)
Advance tax paid	(852,475,888)	(701,724,742)
Gain on Trading of Govt Securities	(258,098,928)	134,518,333
Gain from sale of shares	(36,532,134)	(96,348,434)
Effects of exchange rate changes on cash and cash-equivalent	(919,383,118)	(919,383,118)
Operating profit before changes in operating assets and liabilities	615,693,906	726,834,636
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	1,628,488,145	1,519,520,059
Loans and advances to other banks	-	-
Loans and advances to customers	(8,147,465,716)	(11,355,066,435)
Increase / decrease of other assets	(139,418,316)	31,577,507
Deposits from other banks	(1,017,703,541)	2,600,148,611
Deposits from customers	10,063,382,097	8,852,035,169
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	(109,770,611)	88,297,893
	2,277,512,058	1,736,512,804
Net cash from operating activities	2,893,205,964	2,463,347,440
40.1 Basic Earning per share (EPS) - Consolidated		
a) Net profit after tax attributable to the shareholders of parent company	546,333,314	589,605,844
b) weighted average number of ordinary shares	824,191,650	824,191,650
Earnings per share (a ÷ b)	0.66	0.72
40.2 Restated Earning per share (EPS) - Consolidated		
a) Net profit after tax attributable to the shareholders of parent company	546,333,314	589,605,844
b) weighted average number of ordinary shares	824,191,650	824,191,650
Earnings per share (a ÷ b)	0.66	0.72
40.3 Basic Earning per share (EPS) of the Bank		
a) Net profit after tax	536,611,585	562,100,704
b) weighted average number of ordinary shares	824,191,650	824,191,650
Earnings per share (a ÷ b)	0.65	0.68
40.4 Restated Earning per share (EPS) of the Bank		
a) Net profit after tax	536,611,585	562,100,704
b) weighted average number of ordinary shares	824,191,650	824,191,650
Earnings per share (a ÷ b)	0.65	0.68



	2023 Taka	2022 Taka
40.5 Current year's financial results i.e. Earning Per Shares (EPS) has been decreased by 4.54% over last year. Reason of such increase in EPS were as follows :		
The requirement for maintaining provision against loans and advances and other assets have been higher than that of previous year.		
40.6 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.		
41.1 Net asset value (NAV) per share - Consolidated		
a) Net asset value attributable to the shareholders of parent company	11,124,915,146	10,829,214,375
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	<u>13.50</u>	<u>13.14</u>
41.2 Restated net asset value (NAV) per share - Consolidated		
a) Net asset value attributable to the shareholders of parent company	11,124,915,146	10,829,214,375
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	<u>13.50</u>	<u>13.14</u>
41.3 Net asset value (NAV) per share of the Bank		
a) Net asset value	11,082,526,405	10,796,547,363
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	<u>13.45</u>	<u>13.10</u>
41.4 Restated net asset value (NAV) per share of the Bank		
a) Net asset value	11,082,526,405	10,796,547,363
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	<u>13.45</u>	<u>13.10</u>
42.1 Net operating cash flow per share (NOCFPS) - Consolidated		
a) Net cash flow from operating activities	2,893,205,964	2,463,347,440
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	<u>3.51</u>	<u>2.99</u>
42.2 Restated net operating cash flow per share (NOCFPS) - Consolidated		
a) Net cash flow from operating activities	2,893,205,964	2,463,347,440
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	<u>3.51</u>	<u>2.99</u>
42.3 Net operating cash flow per share (NOCFPS) of the Bank		
a) Net cash flow from operating activities	2,839,913,765	2,431,930,715
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	<u>3.45</u>	<u>2.95</u>
42.4 Restated net operating cash flow per share (NOCFPS) of the Bank		
a) Net cash flow from operating activities	2,839,913,765	2,431,930,715
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	<u>3.45</u>	<u>2.95</u>
42.5 The net operating cash flow has been increased due to substantial deposits by other banks and financial institutions and by customers.		

43. Events after the balance sheet date

A. Dividend

The Board of Directors in its 80th meeting held on 30 April 2024 recommended cash dividend @ 2.00% (three and half percent) for the year 2023. The total amount of dividend is Tk 164,838,330.00 (Taka sixteen crore forty eight lac thirty eight thousand three hundred and thirty) only.

44. Risk Factors and Risk Management

The Bank is following comprehensive Core Risks Management guidelines issued by Bangladesh Bank. Credit Risk Grading is done for all commercial exposures to minimize credit risks. Bank's Asset Liability Committee is entrusted with the responsibility of managing short-term & long-term liquidity. ALM guidelines have also been implemented. The Bank has established its KYC & operation control procedures for prevention of Money Laundering. The Bank has strengthened the internal control system and audit division to guard against lapses, fraud and forgeries. A comprehensive ICT policy has been formulated as per Bangladesh Bank guidelines and approved by the board of directors to minimize ICT risks which is followed meticulously.

45. Disclosure on audit committee of the Board



The Audit Committee of the Board was duly reconstituted by the Board of Directors of the Bank in its 164th meeting held on 14 May 2023 compliance with BRPD Circular No. 11 dated 27 October 2013 of Bangladesh Bank and Corporate Governance Guidelines (BSEC/CMRRCD/2006-158/207/Admin/80) dated June 03, 2018 of Bangladesh Securities and Exchange Commission (BSEC). The members of the Audit Committee of the Board as on 31 December 2023 is as under:

Name of the Member	Status with the Bank	Status in the Committee	Educational Qualification
Mr. Md. Sajidur Rahman	Independent Director	Chairman	Masters
Mr. Mohammad Nawaz	Director	Member	M.Sc
Mr. Mohammad Mahmubor Rahman	Director	Member	M. Com
Prof. Mohammad Moqubul Hossain	Independent Director	Member	M. Com
Mr. Ziaur Rahman Zia FCA	Independent Director	Member	M. Com

The Audit Committee of the Board convened 06 (six) meetings during the period further in which, among others, the following salient issues were discussed :

- The Committee reviewed the inspection reports of different branches including divisions of Head Office of the Bank conducted and submitted by the Bank's Internal Control & Compliance Division and Bangladesh Bank and gave necessary instructions to the management for proper and prompt rectification / solution of the irregularities / objections stated therein.
- The Committee reviewed the Management Letter / Report for the year 2022 submitted by the external auditors of the Bank.
- The Committee reviewed the Quarterly, Half-yearly and Annual Financial Statements of the Bank.
- The Committee reviewed the Yearly Report on over all position as on 31 December 2021 as submitted by Internal Control & Compliance Division under the Risk Based Internal Audit system of the Bank.
- The Committee reviewed the introduction of modern, efficient Internal Control & Compliance system to mitigate the risks.
- The Committee reviewed the overall performance of Internal Control & Compliance Division.
- The Committee reviewed and approved the Annual Financial Statements for the year ended 31 December 2023.

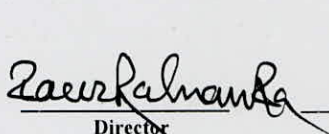
46. Number of employees

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received more than total remuneration of Tk 36,000 per annum or Tk 3,000 per month were 1,165 as at 31 December 2023 compared to 1,149 as at 31 December 2022.

47. General

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


Director


Director


Director


Managing Director & CEO



SBAC Bank PLC.
Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Related party information is given below:

i) Directors' interest in different entities:

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern	Remarks
1	Mr. Abu Zafar Mohammad Shofiuddin	Chairman	35,169,778 & 4.27%	1. SQ Wire & Cable Co. Ltd	33.37%	
				2. SQ Trading & Engineering	30.00%	
				3. SQ Light Ltd.	35.00%	
				4. SQ Wood Preservatives	80.00%	
				5. SQ Energy Ltd.	50.00%	
				6. SQ Electricals Ltd.	70.00%	
				7. SQ Distribution Ltd.	60.00%	
				8. SQ Power Solutions	70.00%	
				9. SQ Properties Ltd.	35.00%	
				10. Power-Add	80.00%	
				11. Techno Electricals Ltd.	16.89%	
				12. TSCO Power Ltd.	25.00%	
				13. TS Transformers Ltd	25.00%	
				14. Building Dreams Ltd.	10.00%	
				15. SRN Power	40.00%	
				16. Microgenix BD Ltd.	53.65%	
				17. Papiro Ltd.	50.00%	
				18. Arrow Technology Ltd.	85.00%	
				19. SQ Denims Ltd.	80.00%	
				20. SQ Accessories Ltd.	19.00%	
				21. Petroken Ltd.	56.00%	
				22. Alliance Infrastructure	5.00%	
				23. SQ Agriculture Ltd.	70.00%	
				24. SQ Metallurgical Products	70.00%	
				25. SQ Metal Industry Ltd.	20.00%	
				26. SQ Resources Ltd.	33.33%	
2	Engr. Md. Moklesur Rahman	Vice-Chairman	35,169,778 & 4.27%	1. Contech Construction Ltd.	65.00%	
				2. Pre Stressed Pole Ltd.	65.00%	
				3. B&T Cables Ltd.	70.00%	
				4. B&T Cold Storage Ltd.	6.67%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	55.00%	
				7. Tushar Ceramics Ltd.	25.00%	
				8. B&T Transformers Ltd.	33.33%	
				9. Nexus Securities Ltd.	20.00%	
				10. BD Game Studio Ltd.	20.00%	
				11. Smart Meter	100.00%	



SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern	Remarks
3	Mr. Abdul Kadir Molla	Director	35,169,778 & 4.27%	1. Thermax Textile Mills Ltd.	29.98%	
				2. Thermax Knit Yarn Ltd.	20.00%	
				3. Thermax Spinning Ltd.	60.00%	
				4. Thermax Blended Yarn Ltd.	20.00%	
				5. Indigo Spinning Ltd.	55.00%	
				6. Thermax Melange Spinning Mills Ltd.	60.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	20.00%	
				10. Thermax Woven Dyeing Ltd.	60.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	60.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sister Garments Ltd.	50.00%	
				16. Sultana Filling Point Ltd.	55.00%	
				17. Adury Fashion & Print Ltd.	60.00%	
				18. Adury Ring Denim Spun Ltd.	20.00%	
				19. Kadir Molla Medical College & Hospital Ltd.	30.00%	
				20. Sultana Enterprise	100.00%	
				21. Sister Denim Composite (Unit-2) Ltd.	20.00%	
4	Mr. Mohammed Ayub	Director	29,399,511 & 3.57%	1. Ayub & Co. Ltd.	80.00%	
				2. Pioneer Enterprise	100.00%	
				3. United Enterprise	100.00%	
				4. Pacific International	70.00%	
				5. M/S Ishmam Enterprise	20.00%	
5	Mr. Mohammad Nawaz	Director	21,528,316 & 2.61%	1. Famous Printing & Packaging Ltd.	29.15%	
				2. Famous Iberchem Flavours & Fragnances Ltd.	29.15%	
				3. Famous General Agencies Ltd.	29.05%	
				4. Matcon limited	28.96%	
				5. F.S. Printing & Packaging Ltd.	29.11%	
				6. Green Soap & Chemical Co. Ltd.	29.07%	
				7. Famous Flavours & Fragnances Ltd.	40.00%	
				8. Eden Multicare Hospital	2.50%	
				9. NY Trading	50.00%	
6	Mr. Anwar Hussain	Director	16,580,861 & 2.01%	1. SAFAH CNG Refuelling Station Ltd .	8.33%	
				2. HAR Industries Ltd.	30.00%	
				3. Abdul Gaffar & Co. (Pvt.) Ltd.	30.40%	
				4. Asuka CNG Filling Station Ltd.	25.00%	
				5. AGI Corporation	100.00%	
				6. AGI Flex Ltd.	50.00%	
7	Mr. Hafizur Rahman Babu	Director	26,377,333 & 3.20%	1. Joytun Securities International Ltd.	85.12%	
				2. Joytun Developers Ltd.	50.00%	
				3. S.B. Agro Fertilizer Industries Ltd.	33.34%	
				4. Sheikh Cement Mills Ltd.	18.99%	
				5. Gold Hill Properties Ltd.	15.00%	
				6. Sheikh Jute Mills Ltd.	16.67%	
				7. M/S. Sheikh Brothers	100.00%	
				8. M/S. Hafizur Rahman Babu	100.00%	
				9. Sheikh Shipping Lines Ltd.	33.34%	
				10. Sheikh Agro Food Industries	100.00%	
				11. Arising Trade International Ltd.	80.00%	



SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern	Remarks
8	Ms. Mst. Nasima Begum, Nominated by Thermax Textile Mills Ltd.	Director	35,169,778 & 4.27%	1. Thermax Textile Mills Ltd.	25.00%	Nominated by : Thermax Textile Mills Ltd. Share held by the company
				2. Thermax Knit Yarn Ltd.	20.00%	
				3. Thermax Spinning Ltd.	40.00%	
				4. Thermax Blended Yarn Ltd.	20.00%	
				5. Indigo Spinning Ltd.	45.00%	
				6. Thermax Melange Spinning Mills Ltd.	40.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	20.00%	
				10. Thermax Woven Dyeing Ltd.	40.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	40.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sultana Filling Point Ltd.	45.00%	
				16. Adury Fashion & Print Ltd.	40.00%	
				17. Adury Ring Denim Spun Ltd.	20.00%	
				18. Kadir Molla Medical College & Hospital	25.00%	
				19. Sister Garments Ltd.	50.00%	
				20. Sister Denim Composite (Unit-2) Ltd.	20.00%	
9	Mr. Sk. Shyed-uj-Jaman Nominated by Moonstar Ceramic Industries Ltd.	Director	35,956,856 & 4.36%	1. Mashiyat Fish Firm	100.00%	Nominated by : Moonstar Ceramic Industries Ltd. [2885133 shares held personally]
				2. South East Union Ceramic Industries Ltd.	5.00%	
				3. AB Siddique & Co.	100.00%	
10	Mr. Mohammad Helal Uddin	Director	27,703,293 & 3.36%	N/A	N/A	Nominated by : TBO Trade Ltd. Share held by the company
11	Mr. Mushfiqur Rahman Nominated by : M/S. Contech Construction Ltd.	Director	35,169,778 & 4.27%	1. Contech Construction Ltd.	27.50%	Nominated by : M/S. Contech Construction Ltd. Share held by the company
				2. Pre Stressed Pole Ltd.	10.00%	
				3. B&T Cables Ltd.	10.00%	
				4. B&T Cold Storage Ltd.	2.22%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	15.00%	
				7. B&T Poles Ltd.	50.00%	
				8. Tushar Ceramics Ltd.	50.00%	
				9. B&T Transformers Ltd.	33.33%	
				10. Nexus Securities Ltd.	40.00%	
				11. BD Game Studio Ltd.	80.00%	
				12. BD Game Studio	80.00%	
12	Mr. Mohammad Nazmul Huq Nominated by : Techno Electricals Ltd.	Director	34,373,481 & 4.17%	1. Vicar International	80.00%	Nominated by : Techno Electricals Ltd. Share held by the company
				2. Vicar Ielectricals Ltd.	15.00%	
				3. Vicar Concrete Products	10.00%	
				4. Arrow Tecnology	15.00%	
13	Mr. Mohammad Mahbubor Rahman	Director	17,584,889 & 2.13%	1. Imperial Resources Ltd.	10.00%	Nominated by : Intec Solution
14	Mr. Md. Emdadul Hoque	Director	35,169,778 & 4.27%		N/A	Nominated by : T & A International Ltd. Share held by the company



SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern	Remarks
15	Mr. Shohel Ahmed	Director	17,584,888 & 2.13%	1. Techno Electricals Ltd.	16.89%	Nominated by : Meter D Tech. Share held by the company
				2. SQ Wire & Cable Co. Ltd	29.63%	
				3. SQ Trading & Engineering	35.00%	
				4. SQ Properties Ltd.	30.00%	
				5. SQ Light Ltd.	35.00%	
				6. Building Dreams Ltd.	10.00%	
				7. SQ Wood Preservatives	10.00%	
				8. Power-Add	10.00%	
				9. Vicar Electricals Ltd.	85.00%	
				10. Vicar Concrete Products	80.00%	
				11. SQ Distribution Ltd.	40.00%	
				12. SQ Electricals Ltd.	10.00%	
				13. SQ Resources Ltd.	33.33%	
				14. Papiro Ltd.	20.00%	
				15. SQ Agriculture Ltd.	30.00%	
				16. SQ Nafis Crop Care Ltd.	30.00%	
				17. SQ Metal Industry Ltd.	15.00%	
16	Mr. Ziaur Rahman Zia FCA	Independent Director	N/A	A. Qasem & Co., Chartered Accountants	12.00%	
17	Mr. Md. Sajidur Rahman	Independent Director	N/A	1. Indo-Bangla Trading	40.00%	
				2. US-DK Green Energy (BD) Ltd.	5.00%	
				4. Lenden Ltd.	5.00%	
18	Professor Mohammad Moqbul Hossain Bhuiyan	Independent Director	N/A	Nil	Nil	

ii) Significant contract where bank is a party and wherein Directors have interest : NIL

iii) Shares issued to Directors and executives without consideration or exercisable at discount: NIL

iv) Related party transactions:

A. loan to directors

(Amount in Crore taka)

Name of the Borrower	Representing Director	Outstanding as at 31 Dec 2023	Outstanding as at 31 Dec 2022
Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & Mr. Shakhawat Hossen	10.91	10.47
		2.07	2.59
M R TRADING CO.	Md. Mizanur Rahman	13.61	12.39
Bartoman Limited	Eshmam Arifin Rahman Son of Md. Mizanur Rahman	0.70	-
ANWAR HUSSAIN	Mr. Anwar Hussain	0.53	0.68
		0.64	0.60
MOHAMMAD IMRAN	Brother of Mr. Anwar Hussain	0.52	0.77
		0.71	-
SAFAH CNG REFUELING STATION LTD.	Mr. Anwar Hussain	0.53	0.53
AGI FLEX LIMITED	Mr. Anwar Hussain & Mohammad Imran	3.56	2.21
ABDUL GAFFAR AND CO. (PVT). LTD.		-	-
* As per Bangladesh Bank letter reference no. DBI-3/132/2024-640 dated 29 April 2024 and FAMOUS IBERCHEM	Anwar Hossain Khan	24.63	22.39
		3.27	2.97
FLAVOURS & FRAGRANCES LTD.	Mr. Mohammad Nawaz	0.04	0.75
		3.62	-
BMIT SOLUTIONS LTD		2.04	-
		15.87	-
TECHNO ELECTRICALS LTD.	Mr. Abu Jafar Mohammad Shafiuddin	-	-
S.Q. WIRE AND CABLE CO. LTD		-	-
S Q TRADING n ENGINEEING		-	-
INTEC SOLUTION		8.31	-
Total		91.56	56.36



B. Credit Card issued to directors

Representing Director	Nature of interest in the Bank	Outstanding as at 31 Dec 2022 BDT	Outstanding as at 31 Dec 2022 USD
Mr. Abu Zafar Mohammad Shofiuddin	Chairman, Board of Directors	1,813 Cr	13 Cr
Mr. Abdul Kadir Molla	Member, Board of Directors	Nil	Nil
Engr. Md. Moklesur Rahman	Member, Board of Directors	829,221 Dr	Nil
Al-Haj Mizanur Rahman	Member, Board of Directors	Nil	Nil
Mr. Anwar Hussain	Member, Board of Directors	565 Cr	Nil
Mr. Hafizur Rahman Babu	Member, Board of Directors	Nil	Nil
Ms. Mst. Nasima Begum	Member, Board of Directors	Nil	Nil
Mr. Sk. Shyed-uj-Jaman	Member, Board of Directors	Nil	Nil
Mr. Mushfiqur Rahman	Member, Board of Directors	6,376 Cr	31 Cr
Mrs. Afroza Sultana	Spouse of Director	8469 Dr	359 Dr
Mrs. Fadia Naz	Spouse of Director	500 Dr	Nil

v) **Lending policies to related parties:**

Related parties are allowed loans and advances as per the guidelines of Bangladesh Bank and credit policy of the bank.

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

a) Lease agreement made with the directors / related concerns:

Nature of contract	Branch Name	Remarks
Lease agreement	Head Office, Level # 10, Sun Moon Star Tower	Lease period : 12 Years starting from 05 October 2021 Rental space 31,154 sft Monthly rent Tk 50.00 per sft
Lease agreement	Tejgaon Link Road Branch	Lease period : 9 Years starting from 29 August 2021 Rental space 5,237.47 sft Monthly rent Tk 180.00 per sft

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

viii) **Business with subsidiary (SBAC Bank Investment Ltd.)**

Nature of Transaction	Outstanding Amount
Special Notice Deposits	12,431,157
Fixed Deposits	375,849,715
Interest Payable	1,566,240
Secured Overdraft - FDR	355,403,050
Secured Overdraft - General	153,275,980
Interest Paid on Deposits	20,701,925
Interest on Loans and Advances	13,447,409
Bank Charges	18,424
Receivable from Stock Broker	1,474,594

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



SBAC Bank PLC.
Schedule of Fixed Assets
as at 31 December 2023

Particulars	Cost			Accumulated Depreciation				Net book value as at 31 December 2023
	Balance as at 01 January 2023	Additions during the period	Disposals during the period	Balance at 31 December 2023	Charge for the period	On disposal during the period	Balance as at December 2023	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Tangible Assets :								
Motor vehicles	70,788,653	4,005,000	-	74,793,653	6,628,329	-	50,007,137	24,786,516
Machinery and equipments	341,998,488	22,140,338	-	364,138,826	28,455,397	-	299,974,692	64,164,134
Furniture and fixtures	111,216,490	13,757,431	-	124,973,921	15,743,976	-	79,922,157	45,051,764
Interior decoration	370,375,116	15,667,186	-	386,042,302	34,609,753	-	225,592,646	160,449,656
Computers and accessories	441,543,120	11,413,862	-	452,956,982	48,539,038	-	359,775,329	93,181,653
Other tools	53,125,614	6,323,344	-	59,448,958	5,991,479	-	42,995,740	16,453,218
Intangible Assets :								
Softwares	212,787,651	134,145	-	212,921,796	8,651,740	-	198,134,434	14,787,362
Right of use assets (Lease assets)	1,674,774,555	44,226,200	-	1,719,000,755	217,931,859	-	662,136,095	1,056,864,660
At 31 December 2023	3,276,609,687	117,667,506	-	3,394,277,193	366,551,571	-	1,918,538,230	1,475,738,963
At 31 December 2022	2,878,793,973	491,885,286	94,069,572	3,276,609,687	361,275,683	61,440,585	1,551,986,659	1,724,623,028

Rate of Depreciation

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

Particulars	Rate
Motor vehicles	20%
Machinery and equipments	20%
Furniture and fixtures	10%
Interior decoration	10%
Computers and accessories	20%
Other tools	20%
Softwares	20% or remaining usable periods
Right of use assets (Lease Assets)	20% or remaining lease period



SBAC Bank PLC.
Investment in Shares
As at 31 December 2023

Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2023	Total Market Value
Quoted Shares							
1	ACI Limited	10.00	32,025	9,279,201	289.75	260.20	8,332,905
2	The ACME Laboratories Limited	10.00	78,410	6,959,409	88.76	85.00	6,664,850
3	Agni Systems Ltd.	10.00	101,939	2,993,305	29.36	23.70	2,415,954
4	aamra networks limited	10.00	129,980	10,282,661	79.11	51.30	6,667,974
5	Alif Industries Limited	10.00	250,932	19,442,919	77.48	74.60	18,719,527
6	ADN Telecom Limited	10.00	65,476	9,495,650	145.02	117.10	7,667,240
7	Advent Pharma Limited	10.00	40,000	1,026,970	25.67	24.90	996,000
8	Apex Tannery Limited	10.00	17	2,459	144.62	99.30	1,688
9	Agro Organica PLC	10.00	3,079	30,790	10.00	17.60	54,190
10	British American Tobacco Bangladesh Company Limited	10.00	34,000	19,618,945	577.03	518.70	17,635,800
11	Bangladesh Export Import Company Ltd.	10.00	184,205	27,722,300	150.50	115.60	21,294,098
12	Bangladesh Submarine Cable Company Limited	10.00	24,845	5,262,280	211.80	218.90	5,438,571
13	Beximco Pharmaceuticals Ltd.	10.00	91,838	16,561,642	180.34	146.20	13,426,716
14	C & A Textiles Limited	10.00	200,000	2,346,786	11.73	10.20	2,040,000
15	Chartered Life Insurance Company Limited	10.00	223,133	19,200,284	86.05	54.10	12,071,495
16	The Dacca Dyeing & Manufacturing Co.Ltd.	10.00	24,000	519,302	21.64	13.50	324,000
17	DBH Finance PLC.	10.00	131,787	8,165,604	61.96	56.70	7,472,323
18	Delta Life Insurance Company Ltd.	10.00	416,188	77,220,376	185.54	136.50	56,809,662
19	Dragon Sweater and Spinning Limited	10.00	100,000	1,955,660	19.56	17.00	1,700,000
20	Eastern Insurance Company Ltd.	10.00	144,151	17,645,798	122.41	67.90	9,787,853
21	eGeneration Limited	10.00	648,396	31,475,277	48.54	45.20	29,307,499
22	Grameenphone Ltd.	10.00	14,777	4,999,069	338.30	286.60	4,235,088
23	GPH Ispat Ltd.	10.00	1,082,732	57,140,873	52.77	42.70	46,232,656
24	Genex Infosys Limited	10.00	81,181	11,155,977	137.42	65.40	5,309,237
25	Investment Corporation Of Bangladesh	10.00	4,036	593,962	147.17	85.50	345,078
26	IDLC Finance Ltd.	10.00	30,000	1,589,598	52.99	46.50	1,395,000
27	IFAD Autos Limited	10.00	151,578	7,447,042	49.13	44.10	6,684,590
28	LafargeHolcim Bangladesh Limited	10.00	326,205	28,743,358	88.11	69.30	22,606,007
29	Linde Bangladesh Limited	10.00	13,000	23,981,173	1,844.71	1,397.70	18,170,100
30	Matin Spinning Mills PLC	10.00	47,654	3,673,907	77.10	77.60	3,697,950
31	Maksons Spinning Mills Limited	10.00	500,347	16,505,847	32.99	22.30	11,157,738
32	Mozaffar Hossain Spinning Mills Ltd.	10.00	279,718	8,388,407	29.99	26.50	7,412,527
33	Meghna Petroleum Limited	10.00	124,468	27,318,286	219.48	198.60	24,719,345
34	Navana Pharmaceuticals Limited	10.00	20,000	2,395,752	119.79	84.40	1,688,000
35	Aluminum Composite Panel Ltd.	10.00	193,678	14,859,300	76.72	65.30	12,647,173
36	National Credit and Commerce Bank PLC	10.00	1,831,516	25,489,471	13.92	13.10	23,992,860
37	Oimex Electrode Limited	10.00	11,000	244,908	22.26	20.30	223,300
38	Rahima Food Corporation Limited	10.00	51,623	17,832,061	345.43	237.70	12,270,787
39	obi Axiata Limited	10.00	702,975	30,375,831	43.21	30.00	21,089,250
40	Rupali Bank PLC.	10.00	140,000	5,160,045	36.86	31.50	4,410,000
41	enata Ltd.	10.00	4,480	5,445,956	1,215.62	1,217.90	5,456,192
42	Saiham Cotton Mills Limited	10.00	406,492	6,822,562	16.78	16.40	6,666,469
43	S. Alam Cold Rolled Steels Ltd.	10.00	57,400	2,158,536	37.61	33.30	1,911,420
44	Square Pharmaceuticals PLC.	10.00	98,893	21,002,450	212.38	210.30	20,797,198



Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2023	Total Market Value
45	Square Textiles PLC.	10.00	500	35,202	70.40	67.50	33,750
Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2023	Total Market Value
46	The City Bank Ltd (ICB Capital)	10.00	25,500	659,093	25.85	21.80	555,900
47	National Credit and Commerce Bank Ltd (ICB Capital)	10.00	95,895	1,371,313	14.30	13.10	1,256,225
48	National Credit and Commerce Bank PLC (E.SEC)	10.00	73,260	1,019,585	13.92	13.10	959,706
49	C & A Textiles Limited (E.SEC)	10.00	93,000	1,118,455	12.03	12.00	1,116,000
Sub-total				614,735,635			495,867,891
Quoted Shares (Special Fund)							
1	aamra technologies limited	10.00	307,065	16,242,111	52.89	30.50	9,365,483
2	ADN Telecom Limited	10.00	143,000	20,635,537	144.30	117.10	16,745,300
3	Asia Pacific General Insurance Co. Ltd.	10.00	240,000	17,311,253	72.13	50.10	12,024,000
4	Apex Tannery Limited	10.00	42,452	6,208,932	146.26	99.30	4,215,484
5	Aman Feed Limited	10.00	260,051	10,168,462	39.10	33.50	8,711,709
6	ACI Formulations Limited	10.00	50,000	9,244,715	184.89	155.00	7,750,000
7	Bashundhara Paper Mills Limited	10.00	499,958	44,336,584	88.68	61.00	30,497,438
8	Beximco Pharmaceuticals Ltd.	10.00	60,000	14,250,558	237.51	146.20	8,772,000
9	Central Insurance Company Ltd.	10.00	292,168	18,275,108	62.55	37.00	10,810,216
10	City Bank PLC.	10.00	204,000	5,272,000	25.84	21.40	4,365,600
11	Eastland Insurance Company Ltd.	10.00	200,000	8,958,000	44.79	24.40	4,880,000
12	Genex Infosys Limited	10.00	234,000	23,210,100	99.19	65.40	15,303,600
13	Grameenphone Ltd.	10.00	50,000	17,618,500	352.37	286.60	14,330,000
14	IDLC Finance Ltd.	10.00	1,082,023	67,485,775	62.37	46.50	50,314,070
15	IFAD Autos Limited	10.00	611,228	29,943,424	48.99	44.10	26,955,155
16	IPDC Finance Limited	10.00	500,000	31,089,900	62.18	57.60	28,800,000
17	Lub-rref (Bangladesh) Limited	10.00	181,170	9,075,705	50.09	35.10	6,359,067
18	LankaBangla Finance PLC.	10.00	300,000	13,221,000	44.07	26.00	7,800,000
19	Linde Bangladesh Limited	10.00	17,025	30,358,129	1,783.15	1,397.70	23,795,843
20	Mercantile Bank PLC.	10.00	1,927,800	30,561,300	15.85	13.30	25,639,740
21	Monno Ceramic Industries Ltd.	10.00	5,000	609,763	121.95	103.20	516,000
22	Matin Spinning Mills PLC	10.00	105,723	8,245,414	77.99	77.60	8,204,105
23	Naheer Aluminum Composite Panel Ltd.	10.00	442,927	34,019,410	76.81	65.30	28,923,133
24	National Credit and Commerce Bank PLC.	10.00	2,709,257	38,486,418	14.21	13.10	35,491,267
25	National Housing Finance PLC	10.00	575,500	34,384,864	59.75	41.80	24,055,900
26	Premier Cement Mills PLC	10.00	273,907	18,969,563	69.26	53.60	14,681,415
27	Power Grid Company of Bangladesh Ltd.	10.00	255,589	15,109,016	59.11	52.40	13,392,864
28	Reliance Insurance Ltd.	10.00	94,481	9,760,832	103.31	68.50	6,471,949
29	S. Alam Cold Rolled Steels Ltd.	10.00	212,500	8,320,203	39.15	33.30	7,076,250
30	Singer Bangladesh Limited	10.00	200,904	36,992,454	184.13	151.90	30,517,318
31	Shahjibazar Power Co. Ltd.	10.00	38,634	3,513,728	90.95	65.50	2,530,527
32	Square Textiles PLC.	10.00	150,000	10,636,740	70.91	67.50	10,125,000
33	Square Pharmaceuticals PLC.	10.00	302,049	67,592,525	223.78	210.30	63,520,905
34	Standard Insurance Limited	10.00	375,044	34,564,055	92.16	55.40	20,777,438
35	Summit Power Limited	10.00	944,907	41,585,357	44.01	34.00	32,126,838
36	United Finance Limited	10.00	250,000	4,477,950	17.91	15.80	3,950,000
37	United Commercial Bank PLC	10.00	624,879	9,075,626	14.52	12.40	7,748,500
Sub-total				799,811,012			627,544,109
Total Quoted Shares				1,414,546,647			1,123,412,000
Unquoted Shares							



Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2023	Total Market Value
1	SWIFT		6	3,581,371		-	3,581,371
Total unquoted shares				3,581,371			3,581,371

Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2023	Total Market Value
Preference Shares							
1	Impress-Newtex Composite Textile Limited	10.00	30,000,000	300,000,000		10.00	300,000,000
2	Color City Limited	10.00	16,000,000	160,000,000		10.00	160,000,000
Total preference shares				460,000,000			460,000,000

Mutual Fund (Quoted)

Sl. No.	Name of Company	Face Value	No. of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2023	Total Market Value	Net Asset Value
1	EBL First Mutual Fund	10.00	4,725,555	45,721,162	9.68	7.40	34,969,107	10,752,055
2	First Janata Bank Mutual Fund	10.00	4,400,000	40,994,360	9.32	6.10	26,840,000	14,154,360
3	Reliance One the first scheme of Reliance Insurance Mutual Fund	10.00	1,205,378	14,979,308	12.43	10.30	13,861,847	1,117,461
Total Mutual Fund				101,694,830			75,670,954	26,023,877
Total Investments in Shares				1,979,822,848			1,662,664,324	

Calculation of required provision against investment in shares :

Sl. No.	Particulars	Cost Value	Value Considered for Maintaining Provision	Required Provision	Remarks
1	Quoted shares	614,735,635	495,867,891	118,867,744	
2	Quoted shares (Special Fund)	799,811,012	627,544,109	-	No provision required as per DOS Circular No. 01 dated 10 February 2020.
3	Mutual fund	101,694,830	75,670,954	26,024,041.47	Provision maintained as per DOS Circular No. 01 dated 24 May 2023
4	Unquoted shares	3,581,371	3,581,371	-	
5	Preference shares	460,000,000	460,000,000	-	
Total		1,979,822,848		144,891,785	



Annexure - D

SBAC Bank PLC.
Statement of Large Loan Exposures
More than 10% of Bank's Capital (Funded & Non-funded)

[Amount in crore Taka]

Sl. No.	Name of Client	Outstanding as on 31 December 2023		Total
		Funded	Non Funded	
1	Mahabub Brothrs (Pvt) Ltd,	145.09	46.35	191.44
2	Alpha Accessories & Agro Export Ltd	188.97	1.06	190.03
3	Ahsan Group	189.78	0.00	189.78
4	Nassa Group	57.61	13.52	71.13
5	Noman Group	112.85	0.58	113.43
6	Masihata Sweaters Limited	50.68	105.52	156.20
7	Majumder Group	19.39	0.00	19.39
8	CSS Corporation (BD) Limited	96.59	0.00	96.59
9	M/s. Al-Amin Poultry Feed	125.51	9.52	135.03
10	Sears Limited	127.18	3.22	130.40
11	ARC CONSTRUCTION COMPANY	126.35	23.48	149.83
12	SUPER OIL REFINERY LTD	15.30	10.64	25.94
13	Provita Feed Ltd.	155.95	0.00	155.95
14	Habib Group	133.97	0.00	133.97
15	Aman Group	134.19	0.00	134.19
16	GPH ISPAT LTD	78.33	5.80	84.13
17	Monem Group	71.55	161.27	232.82
Total		1829.29	380.96	2210.25



Annexure - E

SBAC Bank PLC.
Financial Reporting by Segments
For the year ended on 31 December 2023

i) Business segment profit and loss account

Particulars	Bank (Solo)					SBAC Bank Investment Ltd.	Inter company transaction	Consolidated
	On-shore Banking (Conventional)	Islamic Banking Window	Off-shore Banking Unit	Inter transaction between units	Total			
Interest income / profit on investment	6,865,574,781	25,366,462	19,449,315	-	6,892,330,558	79,986,815	72,244,628	6,900,072,745
Interest / profit paid on deposits, borrowings etc.	(5,248,583,335)	(17,761,568)	-	-	(5,266,344,903)	(49,953,351)	(72,244,628)	(5,244,053,626)
Net interest income	1,616,991,446	7,604,894	19,449,315	-	1,625,985,655	30,033,464	-	1,656,019,119
Income from investment in shares / securities	1,709,229,436	1,399,269	-	-	1,710,628,705	23,067,738	-	1,733,696,443
Commission, exchange and brokerage	1,120,881,402	740,781	-	-	1,121,622,183	36,716,408	-	1,158,338,591
Other operating income	441,019,957	10,341,891	-	-	451,361,848	104,605	-	451,466,453
Total operating income	4,888,122,241	20,086,835	19,449,315	-	4,909,598,391	89,922,215	-	4,999,520,606
Salary and allowances	(1,794,808,098)	(97,442)	-	-	(1,791,985,540)	(26,234,223)	-	(1,818,219,763)
Rent, taxes, insurance, electricity etc.	(180,505,179)	-	-	-	(180,505,179)	(1,492,239)	-	(181,997,418)
Legal and professional expenses	(4,980,422)	-	-	-	(4,980,422)	(191,700)	-	(5,172,122)
Postage, stamp, telecommunication etc.	(7,223,831)	-	-	-	(7,223,831)	-	-	(7,223,831)
Stationery, printing, advertisement etc.	(56,187,198)	(5,654)	-	-	(56,192,852)	(185,770)	-	(56,378,622)
Chief executive's salary and fees	(10,320,000)	-	-	-	(13,240,000)	-	-	(13,240,000)
Directors' / Shariah supervisory committee's fees	(3,392,000)	(56,000)	-	-	(3,392,000)	(312,000)	-	(3,704,000)
Auditors' fees	(977,500)	-	-	-	(977,500)	(74,750)	-	(1,052,250)
Charges on loan losses	-	-	-	-	-	-	-	-
Depreciation and repair of bank's assets	(393,551,107)	(1,295,528)	-	-	(394,846,635)	(1,863,652)	-	(396,710,287)
Other expenses	(254,055,316)	(3,652,979)	-	-	(257,708,295)	(9,126,790)	-	(266,835,085)
Total operating expenses	(2,706,000,651)	(5,107,603)	-	-	(2,711,052,254)	(39,481,124)	-	(2,750,533,378)
Profit before provision	2,182,121,590	14,979,232	19,449,315	-	2,198,546,137	50,441,091	-	2,248,987,228
Provision for loans and advances / investments	(657,155,909)	(1,082,340)	(1,180,185)	-	(759,418,434)	(232,506)	-	(759,650,940)
Other provision	(9,338,247)	-	-	-	(29,056,913)	-	-	(29,056,913)
Total provision	(666,494,156)	(1,082,340)	(1,180,185)	-	(788,475,347)	(232,506)	-	(788,707,853)
Total Profit before taxes	1,515,627,434	13,896,892	18,269,130	-	1,410,070,790	50,208,585	-	1,460,279,375
Provision for taxation	(880,700,318)	-	-	-	(873,459,206)	(12,323,141)	-	(885,782,347)
Net profit after taxation	634,927,116	13,896,892	18,269,130	-	536,611,585	37,885,444	-	574,497,029



ii) Business segment balance sheet

Particulars	Bank (Solo)					SBAC Bank Investment Ltd.	Inter company transaction	Consolidated
	On-shore Banking (Conventional)	Islamic Banking Window	Off-shore Banking Unit	Inter transaction between units	Total			
Assets								
Cash in hand (Including foreign currencies)	982,191,706	4,576,626	-	-	986,768,332	16,326	-	986,784,658
Balance with Bangladesh Bank and its agent bank(s)	4,215,008,595	25,000,000	-	-	4,240,008,595	-	-	4,240,008,595
Balance with other banks and financial institutions	3,085,598,679	-	78,557,733	(212,021,964)	2,952,134,448	78,695,106	58,245,114	2,972,584,440
Money at call on short notice	-	-	-	-	-	-	-	-
Investments in shares & securities	18,240,158,485	30,000,000	-	-	18,270,158,485	237,482,948	-	18,507,641,433
Loans, advances and lease / investments	86,326,508,899	294,691,370	220,408,400	-	86,841,608,669	366,451,452	563,865,318	86,644,194,803
Fixed assets	1,471,051,304	4,687,659	-	-	1,475,738,963	18,673,346	-	1,494,412,309
Other assets	2,652,437,125	102,756,262	-	-	2,755,249,387	429,852,894	766,595,354	2,418,506,928
Non-banking assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	116,972,954,793	461,711,917	298,966,133	(212,021,964)	117,521,666,880	1,131,172,072	1,388,705,786	117,264,133,166
Liabilities								
Borrowings from other banks, FIs and agents	3,262,983,361	-	212,021,964	(212,021,964)	3,262,983,361	563,865,318	563,865,318	3,262,983,361
Deposits and other accounts	93,304,429,593	426,805,085	-	-	93,731,234,679	-	405,610,878	93,325,623,801
Subordinated bonds	-	-	-	-	-	-	-	-
Other liabilities	9,297,025,644	17,637,254	1,027,359	-	9,444,922,436	128,925,472	19,629,590	9,554,218,318
TOTAL LIABILITIES	105,864,438,598	444,442,339	213,049,323	(212,021,964)	106,439,140,476	692,790,790	989,105,786	106,142,825,480
Total shareholders' equity	11,108,516,195	17,269,578	85,916,809	-	11,082,526,405	438,381,282	399,600,000	11,121,307,687
TOTAL LIABILITIES & EQUITY	116,972,954,793	461,711,917	298,966,133	(212,021,964)	117,521,666,880	1,131,172,072	1,388,705,786	117,264,133,166



SBAC Bank PLC.
Consolidated Financial Highlights on the overall activities of the bank
For the year ended 31 December 2023

(Amount in Tk.)

Sl. No.	Particulars	2023	2022
01	Paid up capital	8,241,916,500	8,160,313,370
02	Total regulatory capital (Tier I +II)	11,583,204,473	11,148,575,804
03	Capital surplus/(deficit)	1,102,975,272	1,037,520,257
04	Total assets	117,264,133,166	106,307,063,856
05	Total deposits	93,321,581,232	84,209,587,055
06	Total loans and advances	86,644,194,803	77,827,258,987
07	Total contingent liabilities and commitments	29,358,940,670	21,782,441,340
08	Advance deposits ratio (%) - Traditional Banking*	85.66%	86.80%
09	Advance deposits ratio (%) - Islamic Banking*	69.05%	81.70%
10	Classified loans to advance ratio (%)	5.94%	5.18%
11	Profit after tax and provision	546,363,258	589,632,859
12	Classified loans and advances at the end of the year	5,149,565,968	4,031,219,967
13	Provision kept against classified loans and advances	3,171,658,689	2,499,772,775
14	Surplus/(deficit) provision against loans and advances	(355,641,311)	(370,000,000)
15	Cost of fund including operating cost (%)	8.26%	8.10%
16	Interest earning assets	100,092,547,276	91,279,893,937
17	Non interest earning assets	17,171,585,890	15,027,169,919
18	Return on investments (ROI) [Income from Investment/ Average Investments]	9.73%	9.84%
19	Return on Assets (ROA) [PAT/Average assets]	0.49%	0.58%
20	Return on Equity (ROE) [PAT/Average shareholders equity]	4.98%	5.50%
21	Net Asset Value per Share (NAV) [Shareholders equity/No. of Ordinary Share]	13.50	13.14
22	Income from investments	1,733,696,443	1,705,312,095
23	Earnings per share	0.66	0.72
24	Net income per share	0.66	0.72
25	Price - earnings ratio (times)	15.84	14.82

* Advance deposit ratio calculation is made as per Bangladesh Bank guidelines.



SBAC Bank PLC.
Highlights on the overall activities of the bank
For the year ended 31 December 2023

(Amount in Tk.)

Sl. No.	Particulars	31 December 2023	31 December 2022
01	Paid up capital	8,241,916,500	8,160,313,370
02	Total capital (Tier I +II)	11,546,963,532	11,126,531,896
03	Capital surplus/(deficit)	1,019,130,733	988,035,159
04	Total assets	117,521,666,880	106,626,901,906
05	Total deposits	93,731,234,679	84,599,434,167
06	Total loans and advances	86,841,608,669	77,992,318,015
07	Total contingent liabilities and commitments	29,358,940,670	21,782,441,340
08	Advance deposits ratio (%) - Traditional Banking*	85.66%	86.80%
09	Advance deposits ratio (%) - Islamic Banking*	69.05%	81.70%
10	Classified loans to advance ratio (%)	5.93%	5.17%
11	Profit after tax and provision	536,611,585	562,100,704
12	Classified loans and advances at the end of the year	5,149,565,968	4,031,219,967
13	Provision kept against classified loans and advances	3,171,658,689	2,499,772,775
14	Surplus/(deficit) provision against loans and advances	(355,641,311)	(370,000,000)
15	Cost of fund including operating cost (%)	8.26%	8.10%
16	Interest earning assets	100,289,961,142	91,444,952,965
17	Non interest earning assets	17,231,705,737	15,181,948,941
18	Return on investments (ROI) [Income from Investment/ Average Investments]	9.71%	9.79%
19	Return on Assets (ROA) [PAT/Average assets]	0.48%	0.55%
20	Return on Equity (ROE) [PAT/Average shareholders equity]	4.89%	5.24%
21	Net Asset Value per Share (NAV) [Shareholders equity/No. of Ordinary Share]	13.45	13.10
22	Income from investments	1,710,628,705	1,689,149,588
23	Earnings per share	0.65	0.68
24	Net income per share	0.65	0.68
25	Price - earnings ratio (times)	16.13	15.54

* Advance deposit ratio calculation is made as per Bangladesh Bank guidelines.



SBAC Bank PLC.
Islamic Banking Windows
Balance Sheet
As at 31 December 2023

	Notes	2023 Taka	2022 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3	4,576,626	3,926,208
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	25,000,000	20,000,000
		29,576,626	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	294,691,370	295,113,533
Bills purchased and discounted		-	-
		294,691,370	295,113,533
Fixed assets including premises, furniture and fixtures	9	4,687,659	5,868,687
Other assets	10	102,756,262	16,796,304
Non - banking assets		-	-
Total assets		461,711,917	371,704,732
LIABILITIES AND CAPITAL			
Liabilities			
Placements from other banks, financial institutions	11	-	-
Deposits and other accounts	12		
Mudaraba savings deposits		22,233,288	35,322,970
Mudaraba term deposits		352,599,698	270,840,742
Al-wadeeah current deposits and other deposit accounts		21,990,961	17,724,561
Mudaraba special notice deposits		7,540,890	23,557,573
Bills payable		5,052,027	132,898
Other deposits		17,388,221	11,402,244
		426,805,085	358,980,988
Other liabilities	13	17,637,254	9,351,058
Total liabilities		444,442,339	368,332,046
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	17,269,578	3,372,686
Total Shareholders' equity		17,269,578	3,372,686
Total liabilities and Shareholders' equity		461,711,917	371,704,732
OFF- BALANCE SHEET EXPOSURE			
Contingent liabilities			
Acceptances and endorsements	15	-	-
Letters of guarantee		2,000,000	10,683,000
Irrevocable letters of credit		6,552,338	-
Bills for collection		-	-
Other contingent liabilities		-	-
		8,552,338	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		8,552,338	10,683,000



SBAC Bank PLC.
Islamic Banking Windows
Profit and Loss Account
For the period ended 31 December 2023

	Notes	2023 Taka	2022 Taka
Investment income	16	25,366,462	21,022,267
Profit paid on deposits	17	17,761,568	17,221,138
Net investment income		7,604,894	3,801,129
Income from investment in shares / securities	18	1,399,269	2,158,694
Commission, exchange and brokerage	19	740,781	423,446
Other operating income	20	10,341,891	330,024
Total operating income (A)		20,086,835	6,713,293
Salaries and allowances	21	97,442	1,082,205
Rent, taxes, insurance, electricity, etc.		-	-
Legal expenses		-	-
Postage, stamp, telecommunication, etc.		-	-
Stationery, printing, advertisements, etc.	22	5,654	229,489
Chief Executive's salary and fees		-	-
Directors' fees & expenses		-	-
Auditor's fees		-	-
Shariah supervisory committee's fees and expenses	23	56,000	56,000
Depreciation and repair of Bank's assets	24	1,295,528	667,673
Zakat expenses		-	-
Other expenses	25	3,652,979	13,072
Total operating expenses (B)		5,107,603	2,048,439
Profit / (loss) before provision and tax (C=A-B)		14,979,232	4,664,854
Provision for investments			
General provision	13.1	1,082,340	731,513
Specific provision		-	-
		1,082,340	731,513
Provision for Off Balance sheet item	13.2	-	(443,078)
Provision for diminution in value of investments		-	-
Total provision (D)		1,082,340	288,435
Total profit before taxes (C-D)	14	13,896,892	4,376,419



SBAC Bank PLC.
Islamic Banking Windows
Cash Flow Statement
For the period ended 31 December 2023

	2023 Taka	2022 Taka
A) Cash flows from operating activities		
Investment income receipt in cash	25,366,462	21,022,267
Profit paid on deposits	(17,076,940)	(15,358,890)
Dividend receipts	-	-
Income from investments in shares and securities	703,247	2,070,430
Recoveries on investments previously written-off	-	-
Fees and commission receipts in cash	740,781	423,446
Cash payments to employees	(153,442)	(1,138,205)
Cash payments to suppliers	(5,654)	(229,489)
Income taxes paid	(35,175)	(58,625)
Receipts from other operating activities	10,341,891	330,024
Payments for other operating activities	(3,652,979)	(13,072)
Cash generated from operating activities before changes in operating assets and liabilities	16,228,191	7,047,886
Increase / (decrease) in operating assets and liabilities		
Net proceeds from trading securities	-	-
Investments to other banks	-	-
Investments to customers	4,779,895	(213,498,679)
Increase / decrease of other assets	(85,228,761)	119,791,325
Deposits from other banks	-	-
Deposits from customers	67,824,097	29,461,352
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	2,161,496	387,241
	(10,463,273)	(63,858,761)
Net cash flow from operating activities	5,764,918	(56,810,875)
B) Cash flows from investing activities		
Proceeds from sale of Government securities	-	80,000,000
Payments for Purchase of Government securities	-	(60,000,000)
Purchase of property, plant and equipment	(114,500)	(6,250,000)
Sale proceeds of property, plant and equipment	-	-
Net cash flow from investing activities	(114,500)	13,750,000
C) Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	-	-
Dividends paid / Profit transferred	-	(35,408)
Receipts from issue of ordinary share	-	-
Net Cash flow from financing activities	-	(35,408)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	5,650,418	(43,096,283)
E) Effects of exchange rate changes on cash and cash equivalents		-
F) Cash and cash equivalents at beginning of the year	23,926,208	67,022,491
G) Cash and cash equivalents at end of the year (D+E+F)	29,576,626	23,926,208
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	4,576,626	3,926,208
Prize bond	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	25,000,000	20,000,000
	29,576,626	23,926,208



SBAC Bank PLC.
Islamic Banking Windows
Statement of Changes in Equity
For the period ended 31 December 2023

Particulars	Amount in Taka				
	Paid-up Capital	Statutory reserve	Revaluation reserve	Retained earnings	Total
Balance as at 01 January 2023	-	-	-	3,372,686	3,372,686
Prior period adjustment	-	-	-	-	-
Net profit for the year	-	-	-	13,896,892	13,896,892
Transfer to statutory reserve	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance as at 31 December 2023	-	-	-	17,269,578	17,269,578
Balance as at 31 December 2022	-	-	-	3,408,094	3,408,094



SBAC Bank PLC.
Islami Banking Windows
Notes to the Financial Statements
as at and 31 December 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

As per IFRS and Bangladesh Bank guidelines the financial statements of the IBW cover one calendar year from 01 January to 31 December.

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.



	2023 Taka	2022 Taka
3. Cash in hand		
In hand		
In local currency	4,576,626	3,926,208
In foreign currency	-	-
	<u>4,576,626</u>	<u>3,926,208</u>
4. Balance with Bangladesh Bank and its agents		
Balance with Bangladesh Bank		
In local currency	25,000,000	20,000,000
In Foreign currency	-	-
	<u>25,000,000</u>	<u>20,000,000</u>
Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
	<u>25,000,000</u>	<u>20,000,000</u>
4.1.1 Cash Reserve Requirement (CRR) : 4.00% of average demand and time liabilities		
Required reserve	17,510,000	11,313,000
Actual reserve maintained		
Balance with Bangladesh Bank - local currency	25,000,000	20,000,000
Surplus / (deficit)	<u>7,490,000</u>	<u>8,687,000</u>
Maintained ratio	<u>5.71%</u>	<u>7.07%</u>
4.1.2 Statutory Liquidity Ratio (SLR) : 5.50% of average demand and time liabilities		
Required reserve	24,076,000	15,555,000
Available for maintenance :		
Cash in hand (including foreign currencies)	4,576,626	3,926,208
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	7,490,000	8,687,000
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	30,000,000	30,000,000
	<u>42,066,626</u>	<u>42,613,208</u>
Surplus / (deficit)	<u>17,990,626</u>	<u>27,058,208</u>
Maintained Ratio	<u>9.61%</u>	<u>15.07%</u>
Total average time and demand liabilities	<u>437,751,000</u>	<u>282,815,000</u>
5. Balance with other banks and financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
	<u>-</u>	<u>-</u>
6. Placement with banks & other financial institutions	<u>-</u>	<u>-</u>
7. Investments in share & securities		
Government (note 7.1)	30,000,000	30,000,000
Others	-	-
	<u>30,000,000</u>	<u>30,000,000</u>
7.1 Government		
Ijarah Sukuk	<u>30,000,000</u>	<u>30,000,000</u>
8. Investments		
General investment (note 8.1)	294,691,370	295,113,533
Bills purchaseed and negotiated (note 8.2)	-	-
	<u>294,691,370</u>	<u>295,113,533</u>
8.1 General investment		
Inside Bangladesh		
BAI Murabaha CSME under stimulus finance	-	-
BAI Murabaha - work order	4,200,894	30,971,941
BAI Murabaha - commercial	193,443,560	180,276,579
BAI Murabaha - agriculture	2,851,810	2,995,890
BAI Murabaha - SME	5,612,520	6,244,964
Murabaha post import finance	-	-
HPSM (Staff)	36,010,828	20,178,351
HPSM (car)	3,102,996	6,718,726
HPSM (real estate)	49,468,762	47,727,082
	<u>294,691,370</u>	<u>295,113,533</u>
Outside Bangladesh	<u>-</u>	<u>-</u>
	<u>294,691,370</u>	<u>295,113,533</u>
8.2 Bills purchaseed and negotiated		
Payable Inside Bangladesh	-	-
Payable Outside Bangladesh	-	-
	<u>294,691,370</u>	<u>295,113,533</u>



	2023 Taka	2022 Taka
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	247,100	140,700
Software	6,250,000	6,250,000
Total fixed assets at cost	6,652,074	6,545,674
Less: Accumulated depreciation	1,964,415	676,987
Net book value at the end of the year	4,687,659	5,868,687
10. Other assets		
Stationeries	1,327,161	1,340,017
Stamps	3,460	7,920
Accrued profit	797,171	101,149
Advance Income Tax	152,425	117,250
Suspense	-	-
Receiveable from convetional banking	100,476,045	15,229,968
	102,756,262	16,796,304
11. Placements from other banks, financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
12. Deposits and other accounts		
Al wadeeah current deposits and other accounts	21,990,961	17,724,561
Mudaraba savings deposits	22,233,288	35,322,970
Mudaraba term deposits	352,599,698	270,840,742
Mudaraba special notice deposits	7,540,890	23,557,573
Others deposit	17,388,221	11,402,244
Bill Payable	5,052,027	132,898
	426,805,085	358,980,988
13. Other liabilities		
Profit payable on deposit	2,741,136	2,056,508
Unearned Profit	9,918,832	5,561,100
Provision against investments (note 13.1)	2,267,678	1,185,338
Provision against off balance sheet exposures (note 13.2)	106,830	106,830
Others	2,602,778	441,282
	17,637,254	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	1,082,340	731,513
Provision held at the year end	2,267,678	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 year	-	-
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 year	-	-
	2,267,678	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 year	13,896,892	4,376,419
Less : Transferred to Conventional Banking	-	(35,408)
Closing balance	17,269,578	3,372,686
15. Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	2,000,000	10,683,000
Irrevocable Letters of Credit	6,552,338	-
Bills for collection	-	-
Others	-	-
	8,552,338	10,683,000



	2023 Taka	2022 Taka
16. Investment income		
Income from general investment		
Bai-Murabaha	17,732,738	16,067,113
Bai-Muajjal	-	-
Bai-Salam (packing credit)	-	-
Murabaha PIF	514,054	225,148
Hire purchase	7,119,670	4,730,006
Other investments		
Sub-total (i)	25,366,462	21,022,267
Profit on deposits with other Islamic banks		
In Bangladesh	-	-
Out side Bangladesh	-	-
Sub-total (ii)	-	-
Grand total (i+ii)	25,366,462	21,022,267
17. Profit paid on deposits		
a) Profit paid on deposits:		
Mudaraba savings deposits	599,746	1,163,216
Mudaraba special notice deposits	321,303	365,538
Mudaraba term deposits	16,426,407	15,253,934
Others deposits	414,112	438,450
	17,761,568	17,221,138
18. Income from investment in shares / securities		
Profit earned from Sukuk	1,399,269	2,158,694
Others	-	-
	1,399,269	2,158,694
19. Commission, exchange and brokerage		
Commission on L/Cs-sight	35,140	125,627
Commission on L/Gs	81,150	125,010
Commission on acceptance	-	-
* As per Bangladesh Bank letter reference no. DBI-3/132/2024-640 dated 29 April 2	409,905	85,109
Other commission	214,586	87,700
	740,781	423,446
20. Other operating income		
Service and other charges	118,565	289,893
Commission Received from Cross GL	8,422,373	-
Miscellaneous earnings	1,800,953	40,131
	10,341,891	330,024
21. Salaries and allowances		
Basic salary	45,976	505,077
House rent allowance	22,988	252,538
Conveyance allowance	4,800	57,600
Medical allowance	5,400	62,400
Other allowances	13,680	154,080
Bank's contribution to provident fund	4,598	50,510
	97,442	1,082,205
22. Stationery, printing and advertisements, etc.		
Stationery	5,654	229,489
Publicity and advertisement	-	-
	5,654	229,489
23. Shariah supervisory committee's fees and expenses		
Meeting attendance fees	56,000	56,000
	56,000	56,000
24. Depreciation and repair of Bank's assets		
Depreciation		
Fixed assets	1,295,528	667,673
Leased assets	-	-
	1,295,528	667,673
Repairs		
Repair & Maintenance	-	-
	-	-
	1,295,528	667,673
25. Other expenses		
Entertainment	8,220	11,872
Commission paid to Cross GL	3,642,369	-
Local Conveyance	-	1,200
Miscellaneous expenses	2,390	-
	3,652,979	13,072



SBAC Bank PLC.
Balance Sheet (Off-Shore Banking Unit)
As at 31 December 2023

	Notes	2023		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		715,788	78,557,733	536,467	54,987,907
Outside Bangladesh		-	-	-	-
		715,788	78,557,733	536,467	54,987,907
Money at call on short notice		-	-	-	-
Investments:					
Government		-	-	-	-
Others		-	-	-	-
Loans and advances	4				
Loans, cash credit, overdrafts etc.		2,008,277	220,408,400	2,153,701	220,754,353
Bills purchased and discounted		-	-	-	-
		2,008,277	220,408,400	2,153,701	220,754,353
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	-	-	-	-
Non-banking assets		-	-	-	-
TOTAL ASSETS		2,724,065	298,966,133	2,690,168	275,742,260
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	1,931,863	212,021,964	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	10,784	1,027,359	21,537	2,207,544
TOTAL LIABILITIES		1,942,647	213,049,323	2,099,823	215,231,876
Capital/ Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Foreign currency translation gain/(loss)	8	-	12,710,366	-	7,933,440
Profit and loss account - retained earnings	9	781,418	73,206,443	590,345	52,576,943
TOTAL SHAREHOLDERS' EQUITY		781,418	85,916,809	590,345	60,510,383
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,724,065	298,966,133	2,690,168	275,742,260



Notes	2023		2022	
	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	-	-	-	-



SBAC Bank PLC.
Profit and Loss Account (Off-shore Banking Unit)
For the year ended 31 December 2023

	Notes	2023		2022	
		USD	Taka	USD	Taka
Interest income	10	180,320	19,449,315	338,709	31,638,774
Less: Interest paid on deposits and borrowings etc.		-	-	-	-
Net interest income		180,320	19,449,315	338,709	31,638,774
Investment income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
Total operating income		180,320	19,449,315	338,709	31,638,774
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		180,320	19,449,315	338,709	31,638,774
Provision for loan					
Specific provision		-	-	-	-
General provision (including off balance sheet items)	4.4	(10,753)	(1,180,185)	(44,220)	(3,424,565)
		(10,753)	(1,180,185)	(44,220)	(3,424,565)
Other provisions		-	-	-	-
Total provision		(10,753)	(1,180,185)	(44,220)	(3,424,565)
Total Profit before taxes		191,073	20,629,500	382,929	35,063,339
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit after taxation	9	191,073	20,629,500	382,929	35,063,339



SBAC Bank PLC.
Cash Flow Statement (Off-shore Banking Unit)
For the year ended 31 December 2023

Notes	2023		2022	
	USD	Taka	USD	Taka
A) Cash flows from operating activities				
Interest receipts in cash	180,320	19,449,315	338,709	31,638,774
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 cash flow before changes in operating assets and liabilities	180,320	19,449,315	338,709	31,638,774
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	145,424	345,953	4,422,024	342,456,532
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	-	-	-	-
	145,424	345,953	4,422,024	342,456,532
Net cash flow from operating activities	325,744	19,795,268	4,760,733	374,095,306
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 flow from investing activities	-	-	-	-
C) Cash flows from financing activities				
Borrowing from other banks, financial institutions and agents	(146,423)	(1,002,368)	(4,429,765)	(344,390,236)
Dividends paid	-	-	-	-
Net cash flow from financing activities	(146,423)	(1,002,368)	(4,429,765)	(344,390,236)
D) Net increase / (decrease) in cash (A+B+C)	179,321	18,792,900	330,968	29,705,070
E) Effects of exchange rate changes on cash and cash-equivalent	-	4,776,926	-	7,681,848
F) Cash and cash-equivalents at beginning period	536,467	54,987,907	205,499	17,600,989
G) Cash and cash-equivalents at end of period (D+E+F)	715,788	78,557,733	536,467	54,987,907
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	715,788	78,557,733	536,467	54,987,907
	715,788	78,557,733	536,467	54,987,907



SBAC Bank PLC.
Notes to the Financial Statements (Off-shore Banking Unit)
As at and for the year ended 2023

1. Status of the unit

- 1.1 The Off-shore Banking Units (OBU) of SBAC Bank PLC. 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 2023, 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 mid rate of exchange of the Bank i.e. USD 1 = BDT 109.75 (2022 : USD 1 = BDT 102.50), while the revenue items are converted into BDT using the mid rate closing date of every months' exchange of the Bank i.e. USD 1 = BDT 110.00 (2022 : USD 1 = BDT 93.41). Resulting exchange differences are recognized as foreign currency translation gain / (loss).

2.4 Foreign currency transactions

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

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), 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 31 December 2023.

2.11 General

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

	2023		2022	
	USD	Taka	USD	Taka
3. Balance with other banks and financial institutions				
In Bangladesh (note 3.1)	715,788	78,557,733	536,467	54,987,907
Outside Bangladesh	-	-	-	-
	<u>715,788</u>	<u>78,557,733</u>	<u>536,467</u>	<u>54,987,907</u>
3.1 Balance with other banks and financial institutions				
SBAC Bank Limited	<u>715,788</u>	<u>78,557,733</u>	<u>536,467</u>	<u>54,987,907</u>
4. Loans and advances				
Loans, cash credit, overdrafts etc.	2,008,277	220,408,400	2,153,701	220,754,353
Bills purchased and discounted	-	-	-	-
	<u>2,008,277</u>	<u>220,408,400</u>	<u>2,153,701</u>	<u>220,754,353</u>
4.1 Net loans and advances including bills purchased and discounted				
Total loans and advances including bills purchased and discounted	2,008,277	220,408,400	2,153,701	220,754,353
Less: Provision against loans and advances (specific and general)	-	-	-	-
Less: Cumulative balance of interest suspense account	-	-	-	-
	<u>2,008,277</u>	<u>220,408,400</u>	<u>2,153,701</u>	<u>220,754,353</u>
4.2 Residual maturity grouping of loans and advances including bills purchased and discounted				
Payable				
On demand	-	-	-	-
Within one month	275,518	30,238,111	295,469	30,285,560
Within one to three months	1,581,900	173,613,519	1,696,449	173,886,000
Within three to twelve months	150,859	16,556,770	161,783	16,582,793
Within one to five years	-	-	-	-
More than five years	-	-	-	-
	<u>2,008,277</u>	<u>220,408,400</u>	<u>2,153,701</u>	<u>220,754,353</u>
4.3 Classification status of loans and advances including bills purchased and discounted				
Unclassified loans and advances (including staff loans)				
i) Standard	2,008,277	220,408,400	2,153,701	220,754,353
ii) Special mention account (SMA)	-	-	-	-
	<u>2,008,277</u>	<u>220,408,400</u>	<u>2,153,701</u>	<u>220,754,353</u>
Classified loans and advances				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,008,277</u>	<u>220,408,400</u>	<u>2,153,701</u>	<u>220,754,353</u>

4.4 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 December 2023		Base for Provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank	Amount of provision required as at 31 December 2023 (USD)	Amount of provision required as at 31 December 2023 (Taka)
	USD	Taka				
Unclassified loans and advances						
Small & medium enterprise financing	-	-	-	0.25%	-	-
Other than small medium enterprise financing	2,008,277	220,408,400	220,408,400	1.00%	20,083	2,204,084
Special mention account	-	-	-	1.00%	-	-
Total unclassified loans and advances	<u>2,008,277</u>	<u>220,408,400</u>	<u>220,408,400</u>		<u>20,083</u>	<u>2,204,084</u>
Classified loans and advances						
Sub-standard	-	-	-	20.00%	-	-
Doubtful	-	-	-	50.00%	-	-
Bad / loss	-	-	-	100.00%	-	-
Total classified loans and advances	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Total	<u>2,008,277</u>	<u>220,408,400</u>	<u>220,408,400</u>		<u>20,083</u>	<u>2,204,084</u>
Total provision maintained					<u>20,083</u>	<u>2,204,084</u>
Total provision surplus / (deficit)					<u>-</u>	<u>-</u>



	2023		2022	
	USD	Taka	USD	Taka
4.5 Geographical location-wise loans and advances including bills purchased and discounted				
Dhaka Division	2,008,277	220,408,400	2,153,701	220,754,353
Chattogram Division				
	<u>2,008,277</u>	<u>220,408,400</u>	<u>2,153,701</u>	<u>220,754,353</u>
5. Other assets				
Interest accrued on loans and advances but not collected	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6. Borrowings from other banks, financial institutions and agents				
a) In Bangladesh				
Borrowings from SBAC Bank, Head Office	1,931,863	212,021,964	2,078,286	213,024,332
b) Outside Bangladesh				
	<u>1,931,863</u>	<u>212,021,964</u>	<u>2,078,286</u>	<u>213,024,332</u>
7. Other liabilities				
Accumulated provision on loans and advances (note 7.1)	10,784	1,027,359	21,537	2,207,544
	<u>10,784</u>	<u>1,027,359</u>	<u>21,537</u>	<u>2,207,544</u>
7.1 Accumulated provision on loans and advances				
<small>As per Bangladesh Bank letter reference no. DDP/102/2024-04 dated 29 April 2024 and external auditors, the Bank's total provision required</small>				
General provision on loans and advances				
Opening balance	21,537	2,207,544	65,757	5,632,109
Add : Provision made during the year	-	-	(44,220)	(3,424,565)
Less; Adjustment made during the year	(10,753)	(1,180,185)	-	-
Closing balance	<u>10,784</u>	<u>1,027,359</u>	<u>21,537</u>	<u>2,207,544</u>
8. Foreign currency translation gain/(loss)				
Opening balance	-	7,933,440	-	251,592
Add : Addition during year	-	4,776,926	-	7,681,848
	-	12,710,366	-	7,933,440
Less : Adjustment during the year	-	-	-	-
Closing balance	<u>-</u>	<u>12,710,366</u>	<u>-</u>	<u>7,933,440</u>
9. Profit and loss account - retained earnings				
Opening balance	590,345	52,576,943	207,416	17,513,604
Net profit / (loss) during the year	191,073	20,629,500	382,929	35,063,339
Closing balance	<u>781,418</u>	<u>73,206,443</u>	<u>590,345</u>	<u>52,576,943</u>
10. Interest income				
Interest on loans and advances	180,320	19,449,315	338,709	31,638,774
	<u>180,320</u>	<u>19,449,315</u>	<u>338,709</u>	<u>31,638,774</u>



SBAC Bank Investment Limited
of
Financial Statements
For the year ended 31 December 2023

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report to the Shareholders of SBAC Bank Investment Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SBAC Bank Investment Limited (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as explained in note 2, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

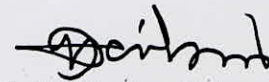
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules, 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 03 April 2024

DVC No: **2404221512AS977513**



Shaikh Hasibur Rahman FCA
Partner
Enrollment No: 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

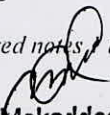


SBAC Bank Investment Limited
Statement of Financial Position
As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
ASSETS			
Non - current assets			
Property, plant and equipment	4.00	7,835,683	8,105,364
Intangible asset	5.00	10,837,663	10,538,581
Security deposit with exchange	6.00	30,000,000	30,000,000
		48,673,346	48,643,945
Current assets			
Short-term investment	7.00	587,432,948	549,075,232
Receivable from margin loan	8.00	366,451,452	343,620,002
Accounts receivables	9.00	36,607,878	4,965,219
Advances, deposits and prepayments	10.00	13,295,016	9,070,693
Cash and cash equivalents	11.00	78,711,432	24,387,595
		1,082,498,726	931,118,741
Total assets		1,131,172,072	979,762,686
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12.00	400,000,000	400,000,000
Capital reserve	13.00	3,269,919	516,704
Retained earnings	14.00	35,111,363	32,182,490
		438,381,282	432,699,194
Non current liabilities			
Retirement benefit obligations	15.00	1,125,120	596,487
		1,125,120	596,487
Current liabilities			
Short-term loan	16.00	563,865,318	508,679,030
Account payables	17.00	74,605,693	21,942,487
Deferred tax liability	18.00	76,146	28,021
Liabilities for expenses	19.00	937,283	534,496
Provision & accruals	20.00	52,181,230	15,282,971
		691,665,670	546,467,004
Total shareholders' equity and liabilities		1,131,172,072	979,762,686
Net asset value per share		10.96	10.82

The annexed notes 1 to 27 form an integral part of these financial statements


Anwar Hussain
Chairman
SBAC BANK INVESTMENT LIMITED
Chairman


Md. Mokaddess Ali FCS
Director
SBAC BANK INVESTMENT LIMITED
Director


Ziaur Rahman Zia FCA
Director
SBAC BANK INVESTMENT LIMITED
Director


MD. LUTFUR RAHMAN
Chief Executive Officer (CC)
SBAC BANK INVESTMENT LTD.
Managing Director & CEO

Signed in terms of our report of even date



Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 03 April 2024
DVC No: 2404221512AS977513



SBAC Bank Investment Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023


Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
Operating income	21.00	66,175,808	42,361,054
Less: Operating expenses	22.00	(5,122,514)	(3,274,591)
Gross Profit		61,053,294	39,086,462
Less: Administrative expenses	23.00	(34,358,610)	(18,264,728)
Net operating income		26,694,684	20,821,734
Add: Other income	24.00	23,746,407	21,194,686
Net Profit/(Loss) before provision & tax		50,441,090	42,016,420
Less: Provision for diminution in value of investments		(32,201,430)	(4,041,481)
Less: General provision		(232,506)	(3,430,796)
Net Profit/(Loss) before tax		18,007,154	34,544,142
Provision for income tax			
Income tax expenses	25.00	(12,276,941)	(6,983,966)
Deferred tax expenses	18.00	(48,125)	(28,021)
Net Profit/(Loss) after tax		5,682,088	27,532,155
Other comprehensive income/(Loss)		-	-
Total comprehensive income for the year		5,682,088	27,532,155
Appropriations			
Capital reserve		2,753,215.53	-
Retained surplus		2,928,872	27,532,155
		5,682,088	27,532,155
Total number of shares outstanding		40,000,000	40,000,000
Earnings per share (EPS)		0.14	0.69

The annexed notes 1 to 27 form an integral part of these financial statements

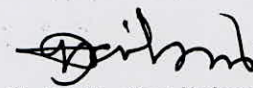

Anwar Hussain
Chairman
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Director
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Ziaur Rahman Zia FCA
Director
SBAC BANK INVESTMENT LIMITED
Director


MD. LUTFUR RAHMAN
Chief Executive Officer (CC)
SBAC BANK INVESTMENT LTD.
Managing Director & CEO

Signed in terms of our report of even date


Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 03 April 2024
DVC No: 2404222512 AS 977513



SBAC Bank Investment Limited
Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	Share Capital	Capital Reserve	Retained Earnings	Total
Balance as on January 01, 2023	400,000,000	516,704	32,182,490	432,699,194
Other comprehensive income	-	-	-	-
Profit/(Loss) during the year	-	-	5,682,088	5,682,088
Transferred to capital reserve	-	2,753,216	(2,753,216)	-
Dividend during the year	-	-	-	-
Total shareholders' equity as at 31 December 2023	400,000,000	3,269,919	35,111,363	438,381,282
Balance as on 01 January, 2022	400,000,000	-	5,167,039	405,167,039
Other comprehensive income	-	-	-	-
Profit/(Loss) during the period	-	-	27,532,155	27,532,155
Transferred to capital reserve	-	516,704	(516,704)	-
Dividend during the period	-	-	-	-
Total shareholders' equity as at 31 December 2022	400,000,000	516,704	32,182,490	432,699,194

The annexed notes form an integral part of these financial statements


Anwar Hussain
Chairman
SBAC BANK INVESTMENT LIMITED
Chairman


Md. Mokaddess Ali FCS
Director
SBAC BANK INVESTMENT LIMITED
Director


Ziaur Rahman Zia FCA
Director
SBAC BANK INVESTMENT LIMITED
Director


MD. LUTFUR RAHMAN
Chief Executive Officer (CC)
SBAC BANK INVESTMENT LTD
Managing Director & CEO



**SBAC Bank Investment Limited
Statement of Cash Flows
For the year ended 31 December 2023**

Particulars	Amount in Taka	
	31 December 2023	31 December 2022
A. Cash flows from operating activities		
Net profit before taxation, and extra ordinary item	90,030,122	63,298,044
Adjustment for:	-	-
Employees' benefit paid	(26,234,223)	(12,406,365)
Operating & administrative expenses paid	(11,393,150)	(8,272,944)
Liabilities for expenses(net)	931,420	1,073,483
Changes in accounts receivable	(31,750,566)	(3,398,979)
Changes in accounts payable	52,663,206	21,942,487
Advance rent & security deposit(CDBL)	240,000	(1,260,000)
Income tax paid	(12,276,941)	(9,058,728)
Net cash Used in operating activities	62,209,868	51,916,997
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(1,465,402)	(8,921,706)
Addition of intangible asset	(417,750)	(582,250)
Security deposit with exchange	-	-
Acquisition cost of DSE TREC	-	-
Investments in listed shares	(64,257,431)	(173,225,517)
Investments in FDR	25,899,715	(16,977,627)
Margin loan & others	(22,831,450)	(343,620,002)
Net cash used in investing activities	(63,072,319)	(543,327,101)
C. Cash flows from financing activities		
Issue of share capital	-	-
Long term loan	-	-
Short term loan	55,186,288	508,679,030
Dividend	-	-
Net cash flow from financing activities	55,186,288	508,679,030
D. Net cash inflow from total activities (A+B+C)	54,323,837	17,268,926
E. Add: Opening cash and cash equivalents	24,387,595	7,118,668
Cash and cash equivalents (D+E)	78,711,432	24,387,595

The annexed notes form an integral part of these financial statements

 Anwar Hussain Chairman SBAC BANK INVESTMENT LIMITED Chairman	 Md. Mokaddess Ali FCS Director SBAC BANK INVESTMENT LIMITED Director	 Ziaur Rahman Zia FCA Director SBAC BANK INVESTMENT LIMITED Director	 MD. LUTFUR RAHMAN Chief Executive Officer (CC) SBAC BANK INVESTMENT LTD. Managing Director & CEO
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SBAC Bank Investment Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2023

- 1.00 Company and its activities**
- 1.01 Legal status and nature of the Company**
- SBAC Bank Investment Limited (herein after referred to as "the company") is one of the brokerage firms domiciled in Bangladesh which has been constituted as a private limited company incorporated under the Companies Act 1994 incorporation no. C-169950/2021 dated 21 March 2021. SBAC Bank Investment Limited is the TREC holder (Trading Right Entitlement Certificate) of Dhaka Stock Exchange (DSE) bearing TREC No- 267 dated 01 September 2021. The registered office of the company is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. The company is a subsidiary of South Bangla Agriculture & Commerce Bank Limited, a Banking Institution incorporated in Bangladesh under the Bangladesh Bank.
- 1.02 Principal activities and nature of operation**
- The principal activities of the Company are to act as a TREC holder of Dhaka Stock Exchange Limited and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc.
- 2.00 Basis of preparation and significant accounting policies**
- 2.01 Statement of compliance**
- The financial statements of SBAC Bank Investment Limited have been prepared in accordance with the International Accounting Standards (IASSs) and International Financial Reporting Standards (IFRSs), Companies Act 1994 and other applicable laws in Bangladesh. As required, SBAC Bank Investment Limited also complies with the applicable provisions of the following major laws/ statutes:
- Securities and Exchange Rules, 1987
 - Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized representatives) Rules 2000
 - Dhaka Stock Exchange Limited (DSE) Rules
 - Negotiable Instrument Act, 1881; and Other applicable laws and regulations
- 2.02 Basis of measurement**
- These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).
- 2.03 Components of financial statements**
- The financial statements comprise of :
- a) Statement of Financial Position as at 31 December 2023;
 - b) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2023
 - c) Statement of Changes in Equity for the year ended December 31, 2023;
 - d) Statement of Cash Flows for the year ended December 31, 2023; and
 - e) Notes to the Financial Statements.
- 2.04 Functional and presentational currency**
- The financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.
- 2.05 Use of estimates and judgments**



The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end. Provisions and accrued expenses are recognized in the financial statements in line with International Accounting Standard (IAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when :

- i. The Company has a legal or constructive obligation as a result of past event.
- ii. It is probable that an outflow of economic benefit will be required to settle the obligation.
- iii. A reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.06 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, SBAC Bank Investment Ltd. applies the accounting disclosure principles consistently from one year to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, corrections of errors, the amounts involved are accounted for and retrospectively accordance with the requirement of IAS 8.

2.07 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern assumption in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.08 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on 03 April 2024.

2.09 Reporting period

The financial year of the Company has been determined to be from 01 January to 31 December each year. However, these financial statements also cover the year from 01 January 2023 to 31 December 2023.

2.10 Statement of cash flows

Cash and cash equivalents consist of cash in hand, bank balances and short-term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Cash flow statement has been prepared in accordance with the International Accounting Standards (IASs) 7, "Cash flow statement" under indirect method.

2.11 Comparative information

Comparative information has been presented from 01 January 2022 to 31 December 2023.



2.12 Investment in stock exchanges for TREC Holder Certificate

In accordance with section 8 of the Exchanges Demutualization Act, 2013, both stock exchange membership have been converted into shares through the issuance of two completely de-linked assets to the former members in the Exchange, namely (a) fully paid-up shares and (b) trading right. Exchanges shall have the authority to issue Trading Right Entitlement Certificate (TREC), as per the Exchanges Demutualization Act, 2013 and as outlined in the scheme, to provide the right to trade any securities enlisted in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) to eligible brokers and dealers. Such TRECs will be totally separated from the ownership of the exchange as there is no obligation for TREC holders to be or remain shareholders of the exchange.

3.00 Significant accounting policies:

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.01 Property, plant and equipment

3.1.1 Recognition and measurement

These are measured at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the rearranged/ re-fixed following rates on straight-line IAS is in accordance with IAS 16 over the years appropriate to the estimated useful lives of the different types of assets. The new rate of depreciation considering estimated useful lives of the assets, the shortfall amount if necessary, have been charged during the Year.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

3.1.3 Depreciation & amortization

Depreciation on property, plant and equipment is charged using straight line method on all assets. Depreciation is charged from the date when the asset are ready to use. During the period the Company charged depreciation on an average 6 months .

3.1.4 Disposal of fixed assets

On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.2 Intangible assets

An intangible asset shall only be recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortization. The main item included in intangible assets is investment in DSE for obtaining the TREC license from which the company will receive future economic benefits through use the TREC license.

3.2.1 Recognition and measurement

The only item in intangible assets is computer software and is measured at cost less accumulated amortization and impairment loss, if any.



3.2.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

3.2.3 Amortization

The company's intangible asset (TREC Licenses Cost) has indefinite useful life. Hence, the asset is not amortised but software cost has been amortized @ 15% pa.

3.3 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account. The Company has no such assets.

3.4 Cash and cash equivalents:

Cash and cash equivalents include cash in hand, cash at bank and fixed deposits which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

3.5 Accounts receivable

Accounts receivables are stated at nominal values as reduced by the appropriate allowances for estimated doubtful amounts. No such receivables are accounted for if the loans are classified as bad and loss. Receivable include the amount receivable both from DSE and CSI against daily transaction settlement and dividend income from investments and receivable from FDR etc.

3.6 Provision for tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Ordinance, 1984. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2023 will be declared by Finance Act 2023. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for Income year 2023 as well, which are mentioned below:

<u>Regular business tax rate</u>	<u>Rates</u>
Brokerage House	27.50%
<u>Other business tax rate:</u>	<u>Rates</u>
Dividend income	20.00%
Capital gain on sale of fixed assets	15.00%
Capital gain on sale of marketable securities	10.00%



Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Applicable tax rate for deferred tax is 27.50%.

3.7 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the International Financial Reporting Standard (IFRS)-15 "Revenue from Contracts with Customers".

3.8 Interest income

Interest income is recognized on the loan balance of portfolio clients on daily accrual basis and charged to clients' balance on monthly basis. Interest income on FDR is recognised on accrual basis.

3.9 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting events have been disclosed in the notes when material.

3.10 Investment in Shares

Investment in quoted shares are initially recognised at cost plus transaction cost that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been presented at cost at reporting date. However, adequate provision has made if market value consider as down trend of the reported cost but no unrealised gain is recognised in the profit and loss account.

3.11 Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.



3.12 Lease

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

3.13 Employees benefits

Gratuity

The Board of Director agreed in principle to introduce retirement benefit plan for its employees. A Board of Trustees will be formed and formal Trust deed and related policies will be initiated. The Board of Directors decided to follow the policy for retirement benefit of the parent Company (SBAC Bank) on ad-hoc basis. The amount of gratuity shall be calculated at the rate of 2 (two) months' last drawn basic pay for each completed years of service.

3.14 General:

- i) Figures have been rounded off to the nearest integer.
- ii) Previous year's figures whenever considered necessary have rearranged in order to current year presentation.



Notes	Particulars	Amount in Tk.	
		31 December 2023	31 December 2022
4.00	Property, plant and equipment		
	Opening value	8,921,706	-
	Add: Addition during the year	1,465,402	8,921,706
	Less: Disposal during the year	-	-
		<u>10,387,107</u>	<u>8,921,706</u>
	Less: Accumulated depreciation (Annexure-A)	(2,551,424)	(816,342)
	Written down value	<u><u>7,835,683</u></u>	<u><u>8,105,364</u></u>
	The above amount are shown in the Property, plant and equipment schedule annexure -A.		
5.00	Intangible asset		
	Opening balance	10,582,250	10,000,000
	Add: Addition during the year	417,750	582,250
	Less: Accumulated amortization (Annexure-A)	(162,338)	(43,669)
	Closing value	<u>10,837,663</u>	<u>10,538,581</u>
	Acquisition cost of DSE TREC Tk. 10,000,000/-(One Crore) only includes in intangible asset.		
6.00	Security deposit with exchange		
	Security deposit with DSE	30,000,000	30,000,000
		<u>30,000,000</u>	<u>30,000,000</u>
7.00	Short-term investment		
	Investment in shares(Annexure-C)	236,802,948	173,225,517
	Investment in FDR(Annexure-B)	349,950,000	375,849,715
	IPO Application(Dealer)	680,000	-
		<u>587,432,948</u>	<u>549,075,232</u>
	SBAC Bank Limited		
	FDR is lien against Short term overdraft .		
	Investment in securities at cost	236,802,948	173,225,517
	Investment in securities at market value	200,560,037	153,018,111
	Unrealized gain/(loss)	(36,242,912)	(20,207,407)
		<u>(36,242,912)</u>	<u>(20,207,407)</u>
8.00	Receivable from margin loan		
	Clients account 8.01	366,451,452	343,620,002
		<u>366,451,452</u>	<u>343,620,002</u>
8.01	Clients account		
	Margin loan	366,330,201	343,079,607
	Due to CDBL Charge/ BO renewal fees & others	121,251	540,395
		<u>366,451,452</u>	<u>343,620,002</u>
9.00	Accounts receivables		
	Dhaka Stock Exchange (DSE)		
	Broker 35,149,545		
	Dealer -	35,149,545	3,398,979
	Interest receivable on FDR	1,458,333	1,566,240
		<u>36,607,878</u>	<u>4,965,219</u>
10.00	Advances, deposits and prepayments		
	CDBL security deposit	200,000	200,000
	Advance income tax 10.01	12,275,016	7,810,693
	Advance against office rent	820,000	1,060,000
	Advance against commercial space	-	-
		<u>13,295,016</u>	<u>9,070,693</u>

The existing rent agreement has been terminated by new agreement which will be executed from 01 January 2023.



Notes	Particulars	Amount in Tk.	
		31 December 2023	31 December 2022
10.01	Advance income tax		
	Opening balance	7,810,693	1,025,462
	Add: Addition during the year	12,275,016	7,810,693
		20,085,710	8,836,155
	Less: Adjustment during the year	(7,810,693)	(1,025,462)
	Final settlement	-	-
	Closing Balance	12,275,016	7,810,693
10.02	Addition during the year		
	For brokerage & dealer income	7,003,501	4,533,872
	For dividend income	458,891	28,788
	For interest income from bank deposit	431,243	175,697
	For FDR interest	4,381,381	3,072,336
		12,275,016	7,810,693
11.00	Cash and cash equivalents		
	Cash in hand	16,326	13,594
	Cash at Bank	78,695,106	24,374,001
		78,711,432	24,387,595
11.01	Cash in hand		
	Cash in hand -Clients	7,000	-
	Petty cash-head Office	1,575	859
	Petty cash-Banani branch	7,751	12,735
		16,326	13,594
11.02	Cash at Bank		
	Pubali Bank Limited-customer A/c 2905102001673	20,431,975	10,347,253
	Pubali Bank Limited -dealer A/c 2905102001681	18,017	1,595,590
	SBAC Bank Ltd. -customer A/c 0067130000159	43,526,770	11,941,031
	SBAC Bank Ltd.-operational A/c 0067130000088	14,718,344	490,126
		78,695,106	24,374,001
12.00	Share capital		
	Authorized capital		
	50,000,000 Ordinary Share of Tk 10/- each	500,000,000	500,000,000
	Issued, subscribed, & paid-up capital		
	40,000,000 ordinary share of Tk 10/- each	400,000,000	400,000,000

Total share holding position as on December 31, 2023

Name of the Shareholders	% of Share holdings	No. of Shares	Total Amount (Tk)
SBAC Bank Limited	99.90%	39,960,000	399,600,000
SBAC Bank Foundation	0.10%	40,000	400,000
Total	100.00%	40,000,000	400,000,000

13.00	Capital reserve		
	Opening capital reserve	516,704	-
	Add: Addition during the year	2,753,216	516,704
		3,269,919	516,704
	Less: Adjustment during the year	-	-
	Closing balance	3,269,919	516,704

According to Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019: each registered entity shall maintain a mandatory provision at least @ 10% of profit after tax of last year as capital reserve and the full amount of such reserve shall be accounted for in computing total capital. The company has transferred Tk. 2,753,216.00 to the Capital Reserve against last year(2022) profit after tax was Tk. 27,532,155.00.



Notes	Particulars	Amount in Tk.	
		31 December 2023	31 December 2022
14.00	Retained earnings		
	Opening balance	32,182,490	5,167,039
	Add: Profit/(loss) during the year	5,682,088	27,532,155
		37,864,578	32,699,194
	Less: Transferred to capital reserve	2,753,216	516,704
		35,111,363	32,182,490
	Less: Dividend during the year	-	-
	Closing balance	35,111,363	32,182,490
15.00	Retirement benefit obligations		
	Opening balance	596,487	-
	Add: Addition during the year	1,125,120	596,487
		1,721,607	596,487
	Less: Transferred to gratuity fund account	(596,487)	-
		1,125,120	596,487
16.00	Short-term loan		
	SBAC Bank Limited (SOD-FDR)	357,638,783	355,403,050
	SBAC Bank Limited (SOD-GEN)	206,226,535	153,275,980
		563,865,318	508,679,030

SBAC Bank Limited

Nature of facility	Limit(lac)	Expiry	pricing	purpose
SOD (FDR)	3500	13.09.2024	(FDR rate + 2.00%)	To provide credit margin to the client of the company for trading securities as per margin rules by BSEC as well as dealer investment.
OD(General)	2500	13.09.2024	(SMART+3.50% p.a)	

17.00	Account payables		
	Clients account	67,923,431	21,900,806
	Dhaka Stock Exchange (DSE)		
	Broker	5,093,653	
	Dealer	-	
	Suspense A/c	5,093,653	6,680
	Dhaka Stock Exchange (IPO application)	35,000	35,000
	CCA interest payable to customer	240,000	-
		1,313,609	-
		74,605,693	21,942,487
18.00	Deferred tax liability:		
	Carring value (WDV as per accounts)	8,673,346	8,643,945
	Tax base value	8,396,452	8,542,052
	Income tax liabilities	276,894	101,894
	Tax rate	27.50%	27.50%
	Closing differed tax liability (Assets)	76,146	28,021
	Opening differed tax liability	28,021	-
	Deferred tax expenses/(Income)	48,125	28,021



Notes	Particulars	Amount in Tk.	
		31 December 2023	31 December 2022
19.00	Liabilities for expenses		
	CDBL charge	132,085	82,020
	Business associates incentives	730,448	229,070
	Car maintenance (Registration & Insurance- MD's Car)	-	165,906
	Audit Fees	74,750	57,500
		<u>937,283</u>	<u>534,496</u>
20.00	Provision & accruals		
	Provision for unrealized loss (dealer's portfolio)	20.01 36,242,912	4,041,481
	General provision	20.02 3,663,302	3,430,796
	Provision for tax	20.03 12,275,016	7,810,693
		<u>52,181,230</u>	<u>15,282,971</u>
20.01	Provision for unrealized loss (dealer's portfolio)		
	Opening Balance	4,041,481	-
	Add: Provision made during the year	32,201,430	4,041,481
		<u>36,242,912</u>	<u>4,041,481</u>
	Less: Adjustment during the year	-	-
	Closing balance	<u>36,242,912</u>	<u>4,041,481</u>
<p>As Per Bangladesh Securities and Exchange Commission's Directive No. BSEC/SRI/NE/2020/605 dated 28-12-2022, the company kept 20% provision for unrealized loss against company's own investment portfolio account in the last year(2022). Total unrealized loss in company's own investment portfolio account stood at Tk. 36,242,912 as on 31 December 2023. Full required provision(Tk.32,201,430) has been made during the year after adjusting earlier provision (Tk.4,041,481) as per decision taken by the Board of Directors in its meeting held on 13.02.2024)</p>			
20.02	General provision		
	Opening balance	3,430,796	-
	Add: Provision made during the year	232,506	3,430,796
		<u>3,663,302</u>	<u>3,430,796</u>
	Less: Adjustment during the year	-	-
	Closing Balance	<u>3,663,302</u>	<u>3,430,796</u>
<p>According to Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019, each registered entity those are providing margin financing shall maintain a mandatory provision @ 1% of all outstanding margin exposures. Total required margin general provision is Tk. 3,663,302 as against outstanding margin loan Tk. 366,330,201. So provision has been made during the year Tk. 232,506 to maintain a mandatory provision @ 1% of all outstanding margin exposures.</p>			
20.03	Provision for tax		
	Opening balance	7,810,693	3,100,224
	Add: Provision during the year	12,275,016	6,983,966
		<u>20,085,710</u>	<u>10,084,190</u>
	Less: Adjustment during the year	(7,810,693)	(2,273,497)
	Closing Balance	<u>12,275,016</u>	<u>7,810,693</u>



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk.	
		31 December 2023	31 December 2022
21.00	Operating income		
	Brokerage commission	21.01 36,716,408	25,551,497
	Interest income	21.02 6,294,083	565,579
	Investment(Dealer) income	21.03 23,067,738	16,162,507
	Other operating income	21.04 97,580	81,470
		66,175,808	42,361,054
21.01	Brokerage commission		
	Brokerage commission income	45,253,282	27,188,146
	Less: Brokerage commission expenses	(8,536,874)	(1,636,649)
		36,716,408	25,551,497
21.02	Interest income		
	Interest income from margin loan	56,247,433	14,012,988
	less: Interest expenses of OD credit facility	(49,953,351)	(13,447,409)
		6,294,083	565,579
21.03	Investment(Dealer) income		
	Gain from sale of shares	20,267,748	16,018,568
	Dividend income	2,799,990	143,939
		23,067,738	16,162,507
21.04	Other operating income		
	BO account opening & maintenance fees	97,300	80,950
	IPO fees/commission	280	520
		97,580	81,470
22.00	Operating expenses		
	Howla charge	-	1,200
	Laga charge	3,422,741	2,163,660
	CDBL settlement, transfer & other charges	1,699,773	1,111,731
		5,122,514	3,274,591
23.00	Administrative expenses		
	Salary & allowances	19,590,437	9,591,578
	Festival bonus	2,366,331	551,560
	Employer's contribution to provident fund	643,388	230,799
	Retirement benefit obligation	1,125,120	596,487
	Salary to support staff(office)	153,900	151,500
	Car maintenance allowances	1,626,530	1,007,684
	Leave fare assistance(LFA)	708,517	276,757
	Closing Allowance	20,000	-
	Office rent	1,380,000	1,610,000
	Electricity bill	112,239	13,250
	Audit fees	74,750	57,500
	Printing & stationery	185,770	303,325
	Repairs & maintenance	9,900	2,000
	Excise duty	284,600	315,000
	RJSC expenses	6,203	186,451
	TWS charge-DSE	60,000	450,000
	Misc. expenses	28,525	40,009



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk.	
		31 December 2023	31 December 2022
	Security service charge	26,180	50,084
	Cleaning expenses	4,400	2,959
	General expenses	131,505	78,510
	Web hosting expenses	62,300	76,100
	Entertainment	615,644	248,061
	Investor protection fund	6,821	105,478
	Conveyance expense	95,544	17,570
	Crockerries	-	14,600
	Commission charge on bank guarantee	213,500	216,250
	Director's remuneration	312,000	256,000
	Documentation charge	-	2,500
	Bandwidth charge(internet & connectivity)	212,750	80,450
	Legal & professional expense	191,700	28,058
	Registration and renewal	459,936	736,745
	Professional fee	-	77,050
	Bank charge and others	31,150	19,404
	IPO bidding fee	14,000	11,000
	Advertisement expenses	23,000	-
	DSE mobile apps expenses	4,625	-
	Electrical goods	19,985	-
	Interest expenses to customers on CCA	1,313,609	-
	Loan processing fee	23,000	-
	Telephone & mobile Expenses	19,500	-
	Signboard, printing & others etc	43,000	-
	Software maintenance expenses	214,500	-
	Water & sewerage	90,000	-
	Depreciation	1,735,083	816,342
	Amortization	118,669	43,669
		34,358,610	18,264,728
24.00	Other income/(loss)		
	Interest received-FDR[SBAC 0067242003542]	21,798,996	20,357,657
	Bank interest income [SBAC 0067130000159]	431,660	245,431
	Bank interest income [PBL 2905102001673]	1,408,186	435,180
	Bank interest income [SBAC 0067130000088]	60,620	98,837
	Bank interest income[PBL 2905102001681]	39,919	50,578
	Cheque clearing fee income	7,000	4,000
	Other income	25	3,001
		23,746,407	21,194,686
25.00	Income tax expenses		
	A. Regular Tax		
	On regular income(other than capital gain & Dividend)@ 27.50%	7,527,672	5,054,950
	On capital gain@10%	2,026,775	1,601,857
	On dividend income	458,891	28,788
		10,013,338	6,685,594



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk.	
		31 December 2023	31 December 2022
	B. Minimum Tax @.60% on gross receipt	539,533	381,334
	On gross receipt on business income	397,055	254,166
	On other income	142,478	127,168
	C. Tax deducted at sources	12,275,016	7,810,693
	Tax paid(through DSE)	7,003,501	4,533,872
	On interest income from bank deposit	431,243	175,697
	On dividend income	458,891	28,788
	Tax on FDR interest	4,381,381	3,072,336
	Current income tax (Higher of A, B & C)	12,275,016	7,810,693
	Current income tax	12,275,016	7,810,693
	Tax paid with return in this year	1,925	-
	Total income tax for the year	12,276,941	7,810,693

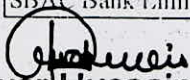
26.00 Related parties

Parent company

SBAC Bank Limited owns 99.90% shares of the Company. Thus, SBAC Bank Limited holds the controlling interest in the Company.

27.00 Related party transactions

Name of the party	Nature of Transaction	Relationship	Amount
SBAC Bank Limited	Issue of share capital	Parent	399,600,000
SBAC Bank Limited	FDR with interest	Parent	349,950,000
SBAC Bank Limited	Deposit in 2(two) SND Account	Parent	58,245,114
SBAC Bank Limited	Interest received from FDR and SND account	Parent	22,291,276
SBAC Bank Limited	Acquiring Fixed Assets for SBAC Bank Investment Limited	Parent	1,131,372
SBAC Bank Limited	SOD-FDR & SOD Gen	Parent	563,865,318
SBAC Bank Limited	Client's payable	Parent	13,295,567
SBAC Bank Limited	Bank charges & Excise duty	Parent	249,319
SBAC Bank Limited	Interest on OD Facility	Parent	49,953,351


Anwar Hussain
Chairman
SBAC BANK INVESTMENT LIMITED
Chairman


Md. Mokaddess Ali FCS
Director
SBAC BANK INVESTMENT LIMITED
Director


Ziaur Rahman Zia FCA
Director
SBAC BANK INVESTMENT LIMITED
Director


MD. LUTFUR RAHMAN
Chief Executive Officer (CC)
SBAC BANK INVESTMENT LTD.
Managing Director & CEO



SBAC Bank Investment Limited
Schedule of Property, Plant and Equipments
(Tangible assets)
As at December 31, 2023

Annexure - A

Particulars	COST				Rate	Depreciation				Written down value at 31 December 2023
	Balance at 1 January 2023	Addition during the year	Disposals during the year	Balance at 31 December 2023		Balance at 1 January 2023	Charged for the year	Adjustment for disposals	Balance at 31 December 2023	
Furniture & Fixtures	453,390	-	-	453,390	10%	22,670	45,339	-	68,009	385,382
Electrical Equipment	1,716,897	412,027	-	2,128,924	20%	171,690	384,582	-	556,272	1,572,652
Office Decoration & Renovation	3,907,304	968,095	-	4,875,398	10%	195,365	439,135	-	634,500	4,240,898
IT Equipment	247,137	85,280	-	2,556,654	30%	370,706	754,204	-	1,124,910	1,431,744
Network & Accessories	372,741	-	-	372,741	30%	55,911	111,822	-	167,733	205,008
Total	8,921,706	1,465,402	-	10,387,107		816,342	1,735,083	-	2,551,424	7,835,683

Schedule of Intangible assets
As at December 31, 2023

Particulars	COST				Rate	Amortization				Written down value at 31 December 2023
	Balance at 1 January 2023	Addition during the Period	Disposal during the Period	Balance at 31 December 2023		Balance at 1 January 2023	Amortized during the Period	Adjustment during the year against Disposal	Balance at 31 December 2023	
Acquisition Cost of DSE TREC	10,000,000	-	-	10,000,000		-	-	-	-	10,000,000
Software License	582,250	417,750	-	1,000,000	15%	43,669	118,669	-	162,338	837,663
Total	10,582,250	417,750	-	11,000,000		43,669	118,669	-	162,338	10,837,663

*Depreciation has been charged for addition of fixed asset on an average 6 (six) months for the acquiring year.

*Intangible assets has been amortized on the date in which the assets was used except Acquisition Cost of DSE TREC which useful life is indefinite.

*WDV stands for Written Down Value.



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SBAC Bank Investment Limited

Schedule of investment in FDR

As at December 31, 2023

Date of opening	Account number	Account Types	Bank	Principal amount
6/7/2021	0067242003542	FDR	SBAC Bank Ltd.	349,950,000
Total				349,950,000



SBAC Bank Investment Limited

Schedule of Investment in Shares

As at 31 December 2023

Annexure-C

Name of the Company	Total Quantity as on December 31, 2023	Free Share	Avg. Cost	Total Cost	Market Rate	Market Value	Unrealized Gain/Loss
ACHIASF	1,500	1,500	25.60	38,396	26.40	39,600	1,204
ADNTEL	17,230	17,230	146.85	2,530,270	117.10	2,017,633	(512,637)
AMCL(PRAN)	2,000	2,000	272.02	544,036	252.00	504,000	(40,036)
AOPLC	3,694	3,694	10.00	36,940	17.60	65,014	28,074
APEXTANRY	72,492	72,492	145.00	10,511,144	99.30	7,198,456	(3,312,689)
BDWELDING	30,000	30,000	26.63	798,897	22.10	663,000	(135,897)
BEACHHATCH	157,276	157,276	50.38	7,923,612	46.50	7,313,334	(610,278)
EMERALDOIL	135,318	135,318	115.79	15,668,904	73.20	9,905,278	(5,763,627)
IBBLPBOND	6,000	6,000	1,078.59	6,471,515	1,053.00	6,318,000	(153,515)
JHRML	155,689	155,689	81.76	12,728,899	70.30	10,944,937	(1,783,962)
KBSEED	10,000	10,000	20.14	201,402	18.40	184,000	(17,402)
MIRACLEIND	25,000	25,000	45.65	1,141,278	37.90	947,500	(193,778)
MONNOCERA	10,500	10,500	112.02	1,176,221	103.20	1,083,600	(92,621)
NAVANAPHAR	15,604	15,604	108.18	1,687,991	84.40	1,316,978	(371,013)
ORYZAAGRO	40,000	40,000	14.31	572,596	15.90	636,000	63,404
PARAMOUNT	53,908	53,908	64.94	3,500,516	56.80	3,061,974	(438,542)
PREMIERCEM	48,475	48,475	53.09	2,573,334	53.60	2,598,260	24,926
PRIMELIFE	35,000	35,000	75.19	2,631,752	52.70	1,844,500	(787,252)
RAHIMAFOOD	2,000	2,000	238.83	477,653	237.70	475,400	(2,253)
RDFOOD	60,000	60,000	53.44	3,206,400	36.20	2,172,000	(1,034,400)
RUPALIBANK	20,000	20,000	33.82	676,350	31.50	630,000	(46,350)
SALAMCRST	137,574	137,574	34.93	4,804,772	33.30	4,581,214	(223,558)
SINOBANGLA	2,994	2,994	65.73	196,799	62.90	188,323	(8,477)
STYLECRAFT	15,204	15,204	95.81	1,456,631	80.90	1,230,004	(226,628)
AAMRANET	693	693	54.08	37,477	51.30	35,551	(1,926)
ACIFORMULA	39,000	39,000	185.46	7,232,928	155.00	6,045,000	(1,187,928)
ADVENT	50,000	50,000	30.19	1,509,265	24.90	1,245,000	(264,265)
AIL	1,000	1,000	78.26	78,256	74.60	74,600	(3,656)
AMANFEED	44,352	44,352	37.86	1,678,949	33.50	1,485,792	(193,157)
ASIAPACINS	1,267	1,267	53.03	67,186	50.10	63,477	(3,709)
BEXIMCO	49,464	49,464	135.04	6,679,544	115.60	5,718,038	(961,506)
BPML	30,000	30,000	79.66	2,389,770	61.00	1,830,000	(559,770)
BSC	47,000	47,000	149.60	7,031,205	107.00	5,029,000	(2,002,205)
BXPHARMA	18,045	18,045	171.91	3,102,177	146.20	2,638,179	(463,998)
CAPMBDBLMF	411,951	411,951	9.98	4,109,994	9.90	4,078,315	(31,679)
DACCADYE	20,000	20,000	16.14	322,780	13.50	270,000	(52,780)
DOREENPWR	43,909	43,909	66.00	2,897,972	61.00	2,678,449	(219,523)

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GENEXIL	112,564	108,235	95.57	10,757,685	65.40	7,361,686	(3,396,000)
IDLC	62,000	62,000	53.18	3,296,980	46.50	2,883,000	(413,980)
IFADAUTOS	375,508	375,508	49.80	18,699,097	44.10	16,559,903	(2,139,194)
LRBDL	55,000	55,000	41.93	2,306,354	35.10	1,930,500	(375,854)
MARICO	649	649	2,597.42	1,685,726	2,460.70	1,596,994	(88,731)
MATINSPINN	5,000	5,000	80.23	401,134	77.60	388,000	(13,134)
MHSML	220,585	220,585	32.13	7,086,470	26.50	5,845,503	(1,240,967)
NAHEEACP	259,546	259,546	77.63	20,147,310	65.30	16,948,354	(3,198,956)
NHFIL	290,405	290,405	42.91	12,460,059	41.80	12,138,929	(321,130)
PEOPLESINS	244,806	244,806	38.52	9,430,025	35.60	8,715,094	(714,931)
PHENIXINS	25,985	25,985	39.73	1,032,283	36.70	953,650	(78,633)
PHOENIXFIN	600,000	600,000	16.45	9,868,920	16.30	9,780,000	(88,920)
RUNNERAUTO	112,221	112,221	51.63	5,794,520	48.40	5,431,496	(363,024)
SKTRIMS	54,350	54,350	35.05	1,904,913	30.50	1,657,675	(247,238)
SPCL	76,692	76,692	83.76	6,423,338	65.50	5,023,326	(1,400,012)
SQUARETEXT	64,267	64,267	72.44	4,655,315	67.50	4,338,023	(317,293)
UNITEDFIN	120,095	120,095	17.98	2,159,008	15.80	1,897,501	(261,507)
Total				236,802,948		200,560,037	(36,242,912)



SBAC Bank Investment Limited
Statement showing computation of capital adequacy
As at December 31, 2023

A. Total Capital Computation				2023	2022
Components	Amount	Haircut %	Haircut Amount	Eligible Amount	Eligible Amount
Paid-up-Capital	400,000,000	0%	-	400,000,000	-
Capital reserve	3,269,919	0%	-	3,269,919	-
Retained earnings	35,111,363	0%	-	35,111,363	-
Sum of core capital				438,381,282	-
General provision	3,663,302	20%	732,660	2,930,642	-
Specific provision					-
Margin loan	-	30%	-	-	-
Investment in marketable securities	36,242,912	20%	7,248,582	28,994,329	-
Sum of supplementary capital				31,924,971	-
Total capital				470,306,253	-

B. Total risk requirement computation

Paticulars	Amount	Risk Factor	Applicable Amount	Applicable Amount
Operational Risk Requirement(ORR):				
Based on Average annual gross income(See clause b) of sub-rule(7.1) of rule 7)	33,574,924	5%	1,678,746	
Position Risk Requirement(PRR)				
i. Proprietary positions in Equity securities				
Value of "A" category securities	140,638,613	10%	14,063,861	
Value of "B/G/N/." category securities	84,783,929	12%	10,174,072	
Value of "Z" category instruments	798,897	15%	119,835	
ii. Proprietary positions in strategic investment				
Value of "A" category securities		10%	-	
Value of "B/G/N/." category securities		12%	-	
Value of "Z" category instruments		15%	-	
ii. Proprietary positions in MFs & CISs:				
Value of listed funds	10,581,509	10%	1,058,151	
Counterparty Risk Requirement				
i. Exposure of credit facilities to Clients	366,330,201	8%	29,306,416	
Total risk requirement			56,401,081	-

$$\text{C. Capital Adequacy Ratio (CAR)} = \frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement (TRR)}} \times 100 = \frac{470,306,253}{56,401,081} \times 100 = 833.86$$

i.e 8.34 times

